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Cuba

Fernandez Conveys Castro Message to Barco

FL0708114690 Havana Tele Rebelde Network in Spanish 1100 GMT 7 Aug 90

[Text] Outgoing Colombian President Virgilio Barco received last night Jose Ramon Fernandez, vice president of the Council of Ministers of Cuba, who conveyed a message from President Fidel Castro. President Barco regretted the fact that Castro could not attend the transfer of powers activities. Fernandez explained that Castro was very sorry for not being able to attend, due to the large amount of tasks the country is facing.

New President Cesar Gaviria will assume power in Bogota today. Responding to reporters upon his arrival in that capital, Fernandez said there are friendly and fluid relations between Colombia and Cuba and that his country wishes success to the new president. He also expressed the desire of the Cuban people and government to maintain fluid and stable communication and cooperation relations.

Commentary on Meeting of C.A. Security Commission

PA0708221790 Havana International Service in Spanish 0100 GMT 7 Aug 90

["Our America" commentary read by Fernando Alcorta]

[Text] A few days ago, in San Jose, the Costa Rican capital, there was a meeting of the Central American Security Commission. Deputy foreign and deputy defense ministers from Guatemala, Honduras, El Salvador, Nicaragua, and Panama, in an observer capacity, as well as representatives from the host country, attended the meeting. This was the first of a series of meetings to be held by the deputy defense and deputy foreign ministers of Central America to study the demilitarization of the region, the reduction of the armies, and other military issues which are all related to one of the agreements made at the Esquipulas Summit held in 1987.

One should remember that in the meetings that followed the Esquipulas summit, particularly during the presidential summit held in April of this year in the Nicaraguan city of Montelimar, the Central American presidents stated the need to reduce the danger of war, contribute to disarmament in the region, and join efforts in the public education and health sectors.

General Humberto Ortega, chief of staff of the Nicaraguan Army, has reminded the Costa Rican press that Nicaragua was the first country to reduce its armed forces. The example set by Nicaragua was very timely, because the Salvadoran delegates did not seem willing to discuss topics related to the reduction of their Army, and they have adopted a position similar to that adopted by the Salvadoran Government delegates at the meeting they held with guerrilla representatives.

Everything seems to indicate that Salvadoran representatives in all international forums do not want to discuss the reduction of their armed forces. However, in San Jose, they proposed to revive the Condeca, Central American Defense Council, a military organization that is controlled and manipulated by the United States. We must not forget that this is an old U.S. aspiration because, although Condeca was dissolved in practice after the conflict between Honduras and El Salvador in 1969, the United States insists in reviving it to have an organization that will promote U.S. objectives of provocation and military domination in the region.

Colonel Orlando Zepeda, Salvadoran deputy defense minister, has said in San Jose: "We are living in a historical moment. We must create a defense bloc and revive Condeca in order to integrate all Central American armies."

It should be pointed out that the Salvadoran proposal discredited the San Jose meeting. The participants of the meeting said they favor the creation of an organization to guarantee the security of Central America based on cooperation, exchange of information, and all elements necessary to restrict the presence of foreign countries' armed forces in the region.

Therefore, many more such meetings will be necessary to examine the attempts to demilitarize the region, as had been established in the Esquipulas Summit held in 1987 and in subsequent meetings.

Departing Libyan Ambassador Comments on Relations

PA0708212490 Havana International Service in Spanish 0000 GMT 7 Aug 90

[Italicized passages are recorded]

[Text] Greetings, friends. After completing a 10-year diplomatic mission in Cuba, outgoing Libyan Ambassador to Cuba Muhammad 'Ali al-Ajili left for his country on Friday, 3 August.

We saw Al-Ajili off, and before his departure, he agreed to make statements to our radio station on his long stay in Cuba:

[Al-Ajili] *Now that years have gone by, [words indistinct] I am very pleased with the kindness that was offered to me here. I am not saying that I am now a career diplomat. I am still learning to be a career diplomat. However, I have learned a great deal here and I did so thanks to the kindness, solidarity, fraternity, and friendship I received here.*

As for Cuban cooperation with Libya and Cuban-Libyan relations, which began in 1976, Ambassador Al-Ajili said:

[Al-Ajili] *The Cuban people demonstrated their willingness to help us and to work with us. They proved their willingness to participate in our country's economic development. The cooperation continued when we arrived here*

in 1981. That cooperation has developed in more efficient ways. There is now an exchange of [word indistinct]. I remember when we welcomed a group of Libyan students in March 1981. They stayed here for one year.

In addition, the level of economic relations between the two countries continued to improve. We have bilateral assistance programs and our two countries are in complete agreement as far as foreign relations are concerned. Our positions at the United Nations and at the Nonaligned Movement are the same. Cuba and Libya have always shared the same political and economic views.

At present, Libya is buying sugar and coffee from Cuba. Cuba is always willing to offer us whatever it produces in order to supply us with some of the things we lack.

Relations between Cuba and Libya are currently excellent, and I am not exaggerating. We [words indistinct] have never forgotten the role that Cuba played and is still playing in Angola and Namibia. We do not forget the role Cuba has played in the Arab World regarding the [word indistinct] Palestinian and Saharawi causes. Cuba has always tried to help in the solution of certain internal conflicts.

Before concluding his statements, Ambassador al-Ajili insisted on sending a message to the Cuban people.

[Al-Ajili] *We reiterate that we are very pleased with the affection that the Cuban people, government officials, and friends in general expressed to us. We felt special. I felt at home. I worked harmoniously and peacefully. People helped me and respected me. That made us love the Cuban people even more. The way we were treated made us admire this revolution even more. I do not have enough words to express my feelings for this country, perhaps because I am a little nervous now that I am leaving this island I love.*

University Awards Honorary Degree to Castro

FL0708192990 Havana Tele Rebelde Network in Spanish 1700 GMT 7 Aug 90

[Text] Peru's San Marcos University has conferred the honoris causa doctorate degree on our Commander in Chief Fidel Castro. On this occasion, a Cuban television team talked with Dr. Wilson Reategui, rector of the higher education center.

[Begin recording] [Reategui] It is a great honor for the San Marcos University to have the opportunity to recognize a far-reaching figure such as Commander Fidel Castro. In this way, we recognize his merits and the way he has conducted his country. It is also an opportunity for us to recognize the task of building his country and, at the same time, to show the impact he has had in Latin American countries.

[Unidentified reporter] When will this high distinction be bestowed on him?

[Reategui] We are coordinating with the representatives of the Cuban Embassy in Peru to agree on the most appropriate time to present this high distinction. We hope to visit Cuba so that we can bestow the honor on Commander Fidel there.

[Reporter] Do you have anything else to say on Cuban television?

[Reategui] We are pleased to have here a delegation of the sister Republic of Cuba. We want to note how pleased we are and our solidarity commitment with the Cuban people and with Commander Fidel Castro. [end recording]

The Cuban delegation that attended the Peruvian presidential power transfer ceremony visited the San Marcos University. Juan Escalona, president of the National Assembly of the People's Government, and Eusebio Leal, historian of the City of Havana, were part of the delegation received by Rector Wilson Reategui. During a tour of the campus, the guests were able to visit the main installations of the prestigious educational center. The San Marcos University was founded in 1551 and is the only one in Latin America that has operated without interruptions since the sixteenth century.

Raul Castro Eulogizes War Veteran Fajardo Vega

FL0808014590 Havana Cubavision Network in Spanish 0030 GMT 7 Jul 90

[Speech by Raul Castro Ruz, second secretary of the Communist Party of Cuba, PCC, at the funeral for independence war veteran Juan Fajardo Vega in Havana on 5 August—recorded]

[Text] Relatives of Comrade Juan Fajardo Vega, Comrades:

We come to this sacred place where rest the remains of the beloved General Antonio [Maceo]; his assistant, Francisco Gomez Toro; and the unforgettable Comrade Blas Roca, to fulfill a duty of profound historic and patriotic importance: to give a dignified burial to the last combatant of our independence wars. We are here to show our grief for someone who was a symbol of that indelible struggle for liberty. It is just that the last Mambi [veteran of the war of independence] be returned to the heart of the land that saw his birth and for which he fought heroically to make the supreme objective a reality. He, as well as thousands of others of the best children of this people, fought for almost 30 years from that bright day on 10 October 1868 when Carlos Manuel de Cespedes, in an incomparable act of dignity, bravery, and love for the fatherland proclaimed Cuba's independence and rose up in arms against Spanish colonial domination.

That day, following the courageous decision of a group of patriots under the war cry of La Demajagua, the Liberation Army was created. This experienced force of patriots gathered under its fold the blood, courage, and

sacrifice of the men and women who founded the Cuban nation. Few peoples in the world have had to face such adverse circumstances and overcome such difficult obstacles to obtain their independence. Spain had lost its empire in America at the beginning of the second half of the past century, thanks to the heroism and determination of other South American peoples under the leadership of men such as Bolivar, Sucre, and San Martin. But Spain retained in Cuba its most dear overseas colony.

Many political forces that included the so-called criollos struggled along a complex process to set foot in our country. Some of them tried to get the Spanish colonial regime to acquiesce to reforms, some struggled for hand outs, some tried to promote the submissive annexation of our land to the United States. Others, however—as it happened many times along the more than 100 years of struggle for our definitive independence—after overcoming difficulties and obstacles which many considered insurmountable, chose to aim for the stars and decided to win the fatherland's sovereignty by the force of arms. These groups were representatives of the most advanced and patriotic sectors of Cuban society. They lived under the burden of Spanish exploitation, but their love for the fatherland inspired them to take up arms and begin the armed struggle for freedom.

It is fair to acknowledge the historic merits and greatness of these men who, despite living in a strongly pro-slavery society, decided to free their slaves and encouraged them to fight and offer their lives for the sovereignty of a piece of land that was already theirs.

During the first war for independence that lasted 10 long years, numerous children of this people—who fought with scarcely any military training—became outstanding chiefs and officers of the Liberation Army. Some of their most outstanding leaders include Carlos Manuel de Cespedes, Ignacio Agramonte, Maximo Gomez, Calixto Garcia, and Antonio Maceo. Many times they forced the best enemy generals to taste the dust of defeat. It is important to stress that thousands of combatants wrote pages of courage and bravery. These people include the meritorious soldiers who did not have much to eat or to wear, or arms to fight with, but who fought with great patriotism forcing powerful and well-armed colonial armies to withdraw and surrender. They fought with machetes, staged raids from the forests, and attacked the enemy as swarms of wasps. They fought the enemy with their own weapons, with arms that were captured from the enemy in the field of battle.

It was necessary to put all the potential intelligence, creativity, and perseverance of the Cuban people to a test.

Rustic but safe installations and shops, which produced items for the war effort, were established in the far corners of the fatherland. Farms, plantations, animal stations, and blood hospitals to care for the wounded were also created. Cuban women played a very important role in these heroic circumstances. They offered their sacrifice and the life of their children for independence. The political and ideological limitation of many of the 10-year-war leaders became obvious during the war. Often their struggle was infected by tyranny, regionalism, indiscipline, and deep conceptual differences when establishing the political and military strategy of the struggle. Three provinces—Oriente, Camaguey, and Las Villas—carried most of the burden of the conflict on their shoulders. This was the consequence of internal problems within the revolutionary forces and the fears of rich cattlemen from the western provinces that the flames of emancipation and the torch of freedom could turn their riches into ashes. These factors, among others, prevented the spread of the revolutionary war to the west of the country, where the political and economic support of the regime was strongest.

During the struggles for independence in continental America, the enemy was forced to divide its forces to control large territories. The revolutionary armies from different countries supported each other. Some of them received important foreign aid. Cuba, however, for many years had to face alone all the military might and economic prowess of a Spain that decided not to surrender the most precious gem in its crown.

This is why the Cuban military spirit—that was born in battles around Bayamo in October 1968 and which was enriched by the revolutionary experience of various generations—is the consequence, above all, of adversity and hard tests. These tests have given us complete confidence in our own forces because no matter how difficult the circumstances, no matter how great the sacrifices, it is possible to reach victory.

Throughout that epic decade, after the fall of Cespedes and Agramonte, the direction of the battle turned toward the most radical sectors of the middle strata of the people. Antonio Maceo, a humble mulatto general, became the most outstanding figure of that period. It was a hard blow to be forced to accept peace without independence and abolition. But Baragua lifted the flag of La Demajagua and proclaimed that the fight was not over and that our people's spirit of rebellion would continue.

That is why—as Fidel said on 10 October 1986—Maceo saved the flag. He saved the flag, the cause, and the revolutionary spirit of the nascent Cuban nation. An important and troubled period of our history began then. This period was characterized by an increasing political and ideological struggle; by important social and economic changes caused by the concentration and centralization of sugar production; and by the abolition of slavery in 1886, as a result, among other factors, of the armed struggle.

But as an apostle said: A people does not abandon a revolutionary process until it triumphs or perishes. After many armed revolts and failed uprisings—including the little war and the frustrated 1884 Gomez-Maceo plan, which only represented echoes of 1868, but which forecasted the future and well-organized 1895 war—the

figure of Jose Marti appeared on the horizon with indelible characteristics. Marti waged a long, intelligent, and silent war for many years to prepare our people for a crucial confrontation. This time, the Cuban people would fight not only for the fatherland's sovereignty but also for our second independence. This time we would face an even more powerful enemy than Spanish colonialism: nascent U.S. imperialism.

Marti fought that war under very adverse circumstances. But the long years of revolutionary struggle were not in vain. He saw it as a period of learning and reconstruction, an indispensable truce before final victory. He dedicated himself fully to revolutionary work, renouncing the glories of fame and his own intellectual development. He constituted an unending source of political wisdom, patriotism, and example. His examples have served as an inspiration and hope to various generations of Cuban revolutionaries. He used preaching, intelligence, and example to unite all those who wanted independence. He understood that the struggle for sovereignty was the task and the mission of the humble masses of the people, the masses of workers and peasants of our society.

He organized the people for that necessary and unavoidable war by fighting with courage against the coward and the traitor, by giving hopes to the people, [words indisting] and wills, by closing wounds and ironing out disagreements. Marti himself once said that those who cannot make the causes that provoke war in a country disappear must—if they love their country and want to prevent adversities—prepare the country for war. Marti has the exceptional historic merit of creating a single party to organize and direct a revolution.

He did not falter a second in his struggle. He never allowed himself to be discouraged, not even during the hard times that followed the failure of the plan La Fernandina. He did not surrender when U.S. authorities cowardly seized the arms and equipment purchased cent by cent with the sacrifice of our people, because he had an unlimited confidence in the decision for struggle, the courage, and patriotism of Cubans.

On 24 February 1895, the Cuban Revolutionary Party began the struggle. The best chiefs of the 1968 insurrection joined the struggle, including the veterans [word indistinct] who earned the highest praise in the battle for independence. Despite Marti's irreplaceable losses in Dos Rios, when he refused to stay far from the battle—because, as he once said, if a cause wants to guide, it has to be tested in battle, and die in it if necessary so that those who know how to die would respect it—the flame of war extended without control from east to west. Gomez and Maceo's invader Army—in an unprecedented feat that elicited the admiration of foreign generals and strategists—crossed the nation from east to west and placed the entire country on the war path.

All provinces progressively joined the fight. Thousands of men from all towns and of all ages answered the call. They came prepared to give their life, if necessary, to redeem their flag and ideals. In 1987, when the revolutionary war had extended to all corners of the island, and when the enemy—after suffering various defeats—was on the defensive almost everywhere, Juan Fajardo Vega, almost a child, joined the glorious Army of liberation.

Fajardo was born in the untamed town of Baide on 15 August 1882. He was the son of a local family of traditional Mambi blood. His father fought in the 10-year war and his mother, cousin of Carlos Manuel de Cespedes, passionately taught him the ideals of independence. All his brothers joined the revolution when the armed struggle broke out in 1895. He, even though too young to join the struggle, cooperated with the cause by growing farm products for the Cuban forces. On 10 July 1897, despite the opposition of his family, [words indistinct] 15 years old, decided to join a brigade that was passing the town and rode with the troops to Saturnino Lora's camp.

The severe revolutionary leader [words indistinct] at the insistence of the boy, handed him an old rifle and assigned him to his escort as an assistant. From that simple but honorable position, Juan Fajardo fulfilled with honor many missions and tasks. During his life in the camp, he helped in the cleaning of weapons and the preparation of ammunition. Thanks to this training he became a gunsmith. In 1898 Spain was practically beaten. Its forces were increasingly exhausted by the war, the climate, and diseases. It could barely hold the main cities. The Army of liberation controlled the rest of the country.

It was then that the U.S. imperialists unleashed a deceitful international campaign to justify its participation in the conflict to frustrate the ideal of independence—for which our people had been ardently fighting with all their forces for various decades—and to take over the rest of the decadent Spanish colonial empire.

The United States mobilized great and modern forces seeking an easy victory in Cuba, as forecasted by their strategists and ideologues. But only thanks to the courage and efficiency of the Army of liberation could they avoid suffering various defeats in the hands of the Spanish forces. The sinister process that followed the Spanish-Cuban-U.S. war is well known by our people.

The United States prevented Calixto Garcia from entering Santiago de Cuba in victory. It agreed to a peace treaty with Spain behind the Cubans' back. It incited General Maximo Gomez to disagree with the Assembly of El Cerro. It threatened to turn Cuba into a colony as it did with Puerto Rico. It encouraged the disbanding of the Liberation Army and created a puppet army. This puppet army was definitively defeated by the rebel Army and Fidel Castro on 1 January 1959 and was completely disarmed in 72 hours from the minute of victory. The United States imposed upon us a mediocre and neocolonial system and tied our hands with the Platt Amendment.

When the Liberation Army was demobilized, Juan Fajardo like many other Cubans, had to fight hard to survive and maintain his family. He worked in several places as a construction worker. He became a carpenter of carts. Later he worked as a mechanic, sailor, and turner. In February 1917, Juan Fajardo joined the liberal uprising against the fraudulent reelection of Mario Garcia Menocal, who was the United States' strongman in Cuba during the first frustrating period of the mediocre republic.

Throughout the years, Fajardo rejected the offer of many politicians to use his name in agreements and electoral campaigns. Then he began fighting once more for the unfinished cause of the revolution, this time to confront Batista's dictatorship. His house became a center of conspiracy against the regime and in mid-1958, when the dictatorship [words indistinct], Juan Fajardo decided to move with his family to Casanova. He carried with him his tools to begin working as a gunsmith once again, now in the Mario Munoz Third Front, under the command of Juan Almeida.

After the 1 January 1959 victory, Fajardo began a new and important stage in his life. Throughout his long life, he served as an example for his people. He maintained an outstanding profile within the revolution and elicited everyone's respect and affection. Throughout the years, the venerable figure of the Mambi, with his rebellious and indomitable spirit, served as an example to various generations who saw a symbol of courage and honesty in him. On many occasions, Fajardo said with deep fervor that if the country ever needed its children again, he would not hesitate to answer its call. He would return to the unbeatable Mambi machete of 1895 and to the forests to defend the ideals of independence and justice for which dozens of thousands of Cubans gave their life throughout more than 100 years of struggle.

Comrades, today we bid farewell to the last representative of that group of patriots who, for nearly 30 years, fought with courage, decisiveness, and love to win our independence. It does not mean, however, that we are closing a stage in our history, because the glorious revolution that they started is the same one—although richer and deeper—for which millions of children of this invincible and courageous people are fighting today.

The unforgettable legacy of courage, firmness, and intelligence of the men of the 1886 and 1895 struggles inspired the group of men who in the year of the 100th anniversary of the birth of the apostle, took their ideals and flags and followed Fidel to fulfill their duty with the fatherland in Moncada. It was their example that encouraged us in the armed struggle in the Sierra Maestra. They taught us that there are no enemies strong enough to face a revolutionary war, a people's army, with their own fighting tactics and methods.

This rich combat experience, the revels of the Mambis, are the nutrient—together with the experience of other brother peoples—that feeds our concept of the defense of all the people. This has permitted us to organize and consolidate a powerful defensive system that will make any enemy fall in defeat if it dares to attack us. No enemy can defeat an armed people who have decided to pay any price to defend the fatherland, its independence, and its socialism.

We are living in complex and dangerous times. Imperialism is acting with greater arrogance, aggressiveness, and impunity each time. It considers itself free to impose its dictates.

Over the past few months, the current U.S. administration has increased its pressures against Cuba to almost unprecedented levels. Washington harbored the frustrated hopes that the fall of the socialist countries of Eastern Europe and the difficulties that the USSR is experiencing would make our revolution collapse and it is showing new signs of its deep-seated hatred of Cuba. It does not hesitate in conducting large military acts of aggression, such as the one they initiated a few weeks ago in the vicinity of our territory. More recently, the United States has begun to encourage actions to subvert the political stability of our country through criminal plans of sabotage and campaigns aimed at damaging our image throughout the world.

Our people and party are working very hard to successfully confront the new challenges and difficult tests that we may face along the way. We are prepared to face the economic difficulties that may emerge, maintain our development plans, and, at the same time, not overlook for an instant our defense against a foreign enemy and maintain revolutionary vigilance over those people in our country who try to start something.

The Cuban people will not back down and they have expressed their determination to defend the banners of Marxism-Leninism which will fly in our fatherland today, tomorrow, and always. The people will march along with their revolution under the leadership of the party and comrade Fidel. The people will not allow the ideals of socialism, independence, social justice, and the things for which they have fought for more than a century to be betrayed. They will be faithful to the legacy of dignity, patriotism, and the honor of our ancestors, our heroes and martyrs, of all those who taught us that to die for the fatherland is to live. We will never tarnish the memory or the example of our dead. Here, today, before the tomb of the last Mambi, we once again repeat our liberator's war cry: Long live free Cuba! [applause]

Raul Castro on Second Day in Camaguey Province

FL0708184290 Havana Tele Rebelde Network in Spanish 1700 GMT 7 Aug 90

[Text] In his second day in Camaguey Province, Army General Raul Castro, second secretary of the Communist Party of Cuba [PCC] and minister of the Revolutionary Armed Forces, learned about the work being carried out in the food program and other areas of the economy and defense in the territory.

An extensive analysis of the outlook for the food program in Camaguey Province highlighted the second half of the second day of Army General Raul Castro Ruz' tour. Lazaro Vazquez Garcia, alternate PCC Politburo member and first secretary of the PCC in Camaguey, gave a detailed report on the plans aimed at increasing the production of rice, sugarcane, citrus, tubers, vegetables, and fruits. The leader noted that the citrus harvest amounted to almost 340,000 quintals during the first half of the year, thus fulfilling 152 percent of the goal. There is also a considerable increase in the egg production. The goals are currently being exceeded. The province hopes to reach 190 million eggs. In 1989, the production was 162 million despite the imported animal feed shortage.

[Begin Vazquez Garcia recording] The milk production plan calls for 152 million litters, as I explained, 53,556,000 litters have been delivered. Ninety percent of the plan has been fulfilled. We need to reach 152 million litters but there is a very difficult situation. There was no animal feed during the first quarter. The triangle area has been affected by the rains. We have not given up this plan because it is important for the country. We supply milk at the national level. Milk goes to Santiago and other provinces. We need to comply with it. We cannot give up and should fulfill that plan. [end recording]

The increased aquaculture, shrimp harvesting, and livestock breeding guarantees higher volumes of food per year. The main affected areas in the program are the poor distribution of machinery and the deficit of spare parts, in addition to the damages caused to the vegetables by the white fly plague. Nevertheless, the outlook of Camaguey's food program is good because the material resources exist and are being expanded with numerous investments such as the pig integral centers, the poultry installations, hydroponics and zeoponics, in addition to the installation of new irrigation systems such as the microjet, and the improvement of soil and the selection of high-quality seeds.

The discussions also included the defense preparedness measures being taken in Camaguey where production and defense are making progress at the same level.

Army General Raul Castro was accompanied in his tour, which forms part of his extensive visit to the Eastern Army, by Vilma Espin, member of the PCC Politburo, Julian Rizo Alvarez, alternate member of the PCC Politburo, and Division General Ramon Espinosa, hero of the Republic of Cuba and chief of the Eastern Army.

* BNC Joins International Banking Group

90CA0070B Havana GRANMA in Spanish 5 Jun 90 p 2

[Article by Alexis Schlachter]

[Excerpt] With the official opening of a computer room at the central headquarters of the National Bank of Cuba (BNC), yesterday our country become the 72nd nation to join the World Interbanking Company for Financial Telecommunications (SWIFT), headquartered in Belgium.

After cutting the ceremonial ribbon, Hector Rodriguez Llompar, member of the Central Committee and minister-president of the National Bank of Cuba, along with SWIFT Vice President Alec Nacamuli, gave the order via computer for the simultaneous sending of 528 messages to as many banks throughout the world.

In his address, the head of the National Bank of Cuba pointed to the benefits our country will obtain from membership in SWIFT. He listed access to banks anywhere on the planet 24 hours a day, seven days a week, lower operating costs, better management of foreign exchange funds by immediate verification of our accounts in foreign banks, as well as collections and payments, better productivity in executing operations and reduced risk of error thanks to the use of uniform formats, daily recording of banking activities, the prevention of any possible alteration in interbank messages and fraudulent operations, and the possibility of connecting Cuba with the Automatic International Accounting System. [passage omitted]

Bahamas

Human Rights Groups Start Own Radio Station

FL0708165590 Bridgetown CANA in English 1636 GMT 7 Aug 90

[Text] Nassau, Bahamas, Aug 7, CANA—Three Bahamian human rights groups have formed their own radio station which will start broadcasting soon—with or without a license, Fred Smith, president of the Grand Bahama Human Rights Association, said.

Radio Freedom is owned and will be operated by the New Providence, Abaco and Grand Bahama human rights groups. Broadcasting equipment was on the way to Grand Bahama where the station will be based.

Smith said the station was formed because the state radio station refused to sell the Grand Bahama group one hour of radio time a week.

"We're going to broadcast whether we have a license or not and I would like to see any minister attempt to prosecute any of us," Smith told a news conference.

Dominican Republic

Economic Solidarity Pact Approved 6 August

FL0708175090 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 7 Aug 90

[Text] Yesterday, the government and representatives of the country's various sectors signed the Economic Solidarity Pact proposed by President Joaquin Balaguer

aimed at finding solutions to the problems the country is experiencing. The signing of the agreement, which fills all Dominicans with hope, took place after three hours of discussions and presentations by the sectors during the second meeting held at the National Palace's Government Council Room.

Labor, business, small industrialists, and consumer sectors as well as chauffer organization representatives presented their views and submitted in writing some changes to the points included in the pact. Some of the proposals were accepted by the government, such as the suggestion made by Dr. Jose Augusto Ginebra Hernandez, president of the National Council of Businessmen, who proposed that the basic goods' price freeze be for three months and not for six as the government had planned. The proposal made by EL CARIBE newspaper director German Emilio Ornes, asking that a bill be introduced in the Congress to prevent monopolies in the country, was also accepted.

Some changes were made to the pact after listening to the various views presented by Roberto Martinez Villanueva, technical secretary of the Presidency, and Central Bank Governor Luis Toral Cordova.

Haiti

Provisional President To Attend Inauguration

FL0708152790 Port-au-Prince Radio Metropole in French 1600 GMT 6 Aug 90

[Excerpts] [First announcer] [passage omitted] Provisional President Trouillot left for Colombia this morning, where she will attend tomorrow the inauguration of president-elect Cesar Gaviria. However, she will make a stopover of a few hours in Caracas, Venezuela today, Monday. She will return to Haiti on Wednesday, 8 August, accompanied by Venezuelan President Carlos Andres Perez, who will spend a few hours in Haiti on an official visit. [passage omitted]

[Second announcer] [passage omitted] Mrs. Trouillot will return to Port-au-Prince on 8 August accompanied by Venezuelan President Carlos Andres Perez, who will have a brief meeting with the provisional president at the National Palace before returning to his country.

The day after this brief visit to Port-au-Prince by the Venezuelan president, U.S. Vice President Dan Quayle is to make a brief official visit to the Haitian capital. Qualye is to meet with Mrs. Trouillot and other Haitian figures concerned with the democratic and electoral process.

Trouillot Says Manigat May Return to Country

FL0708154590 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 7 Aug 90

[Excerpt] Former Haitian president Leslie Manigat may return to Haiti if he does so simply as a citizen. This was announced yesterday by Mrs. Ertha Pascal Trouillot when she arrived in Caracas, Venezuela. According to Mrs. Trouillot, who made a stopover in Caracas yesterday afternoon before leaving today for Colombia to attend the inauguration of president-elect Cesar Gaviria, Mr. Manigat may return to Haiti, but not as president, for there is already a Haitian president.

Asked why Manigat was forbidden to enter the country when Roger Lafontant, the former chief of the Tontons Macoutes, and Williams Regala, Henri Namphy's former right hand man, were admitted into Haiti, the president asserted that arrest warrants had been issued for these two men, and that the executive branch of the government does not intervene in matters regarding the judicial branch. Mrs. Trouillot thus skillfully shunted aside the question.

Also, Venezuelan Energy Minister Celestino Armas announced that his country is going to provide Haiti with gasoline and diesel fuel under the conditions outlined in the San Jose Agreement. This agreement governs the conditions under which Venezuela and Mexico provide petroleum to eight Central American countries. [passage omitted]

Panpra Issues Resolution on Coming Elections

FL0708144890 Port-au-Prince Radio Metropole in French 1600 GMT 6 Aug 90

[Text] Here is the Nationalistic and Progressive Revolutionary Party of Haiti's [Panpra's] position on the participation of the National Alliance for Democracy and Progress [ANDP] in the coming elections.

Following an assembly held on 4 and 5 August, the central leadership of Panpra—made up of the National Coordination Bureau and the different departmental coordination bureaus—passed a resolution.

This resolution states that: since the current context allows no political party to claim to be capable of meeting the challenges the national situation constitutes; and since the ANDP must be strengthened with a view to the coming elections; and since the ANDP's strength is linked to the characteristics of its members as regards their vision of the Haitian society to be built; and since Panpra, a member of the ANDP, must remind both its political partners, members, sympathizers, and the entire nation of its political committments and especially of its determination to realize these commitments for the well-being of the Haitian people, Panpra's central leadership wishes to state more explicitly in this resolution Panpra's position within the ANDP.

The resolution says the party intends to struggle to get a protocol agreement signed with a view to attaining the following objectives:

That should the ANDP be victorious in the coming elections, Panpra will assume precise governmental responsibilities on the basis of a program of government

to permit it to make concrete its vision of the Haitian society and to contribute to satisfying the popular demands, democratizing our political system, and planning the nation's development.

That, within the ANDP, Panpra present a comfortable number of candidates to the Senate and to the Chamber of Deputies, in keeping with its force on the national political chessboard.

And, that the ANDP promise not to run as candidate anyone denounced by the public as having been a zealous partisan of the former regime or having participated in the acts of violence of the forces that are against change.

This Panpra resolution regarding its participation in the coming elections is signed by (Pierre E. d'Eugene), Panpra information secretary.

Trinidad and Tobago

President To Press Charges Against Coupists

FL0708122890 Bonaire Trans World Radio in English 1130 GMT 7 Aug 90

[Text] Trinidadian President Noor Hassanali has called for a new beginning for his country following a recent coup attempt in Port of Spain. The president made a nationwide broadcast to say he will press charges against the militants who are now in custody. He said Trinidadians will have to pull together to rebuild the economy which has been further damaged by looting. That looting occurred while hostages were being held in the Parliament building. Mr. Hassanali also expressed profound sadness for those who died at the hands of their captors.

Iraq-Kuwait Conflict Benefits Petrobond Prices

PA0708150290 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 6 Aug 90

[Text] The conflict between Iraq and Kuwait has significantly modified many international financial markets. All of them have been affected in one way or another.

The effects have been felt in Mexico as well. Petrobonds have become the most attractive instruments in the stock market, rising 8 percent last week and 22.89 percent in the month of July.

The negotiations of petrobonds this week will start operations in a bull-market setting. The conflict between Iraq and Kuwait sent international petroleum prices soaring, affecting the 1988 petrobonds issue, which is the only one being quoted on the stock market. The bonds registered a price increase of 8 percent last week, representing 1,225 pesos. As a result, petrobonds will open the week at 15,300 pesos.

Meanwhile, the Mexican Stock Market Index will open on Monday at 662,254 points after it registered last week an adjustment in the accumulated fall of 17.411 points, that is 2.56 percent. Despite the fall during the week of 22 July, the month of July closed with a general increase of 57,803 points. This means a general increase of 9.38 percent, and the total increase so far this year of 244,824 points. This is equal to a 58.6 percent increase in share prices from January to July 1990.

The price of Mexican crude, Maya and Istmo type, was increased by more than $7 per barrel in the last few days as a result of the Persian Gulf conflict. A barrel of Istmo crude is quoted at $21.75 and of Maya at $17.80. Compared to the prices of the last week in July, the increase in price is $7.35 per barrel of crude. Such high prices had not been registered since 1986.

According to the experts, the current oil market conditions are not reliable, as some of the producing nations could try to take advantage of the Persian Gulf conflict to increase the levels of production agreed on by OPEC. This could promote a fall in the price of crude oil.

Oil Reserves, Production Decreasing Since 1984

PA0708164990 Madrid EFE in Spanish 1543 GMT 6 Aug 90

[Text] Mexico City, 6 Aug (EFE)—According to a study carried out by the Economic Studies Center of the Private Sector (CEESP), Mexico's proven oil reserves have dropped constantly since 1984 due to a lack of investment in oil exploration.

The report states that crude oil reserves increased to 72.5 billion barrels in 1983, but were only 66.45 billion barrels in 1989.

The document adds that the production of crude oil has also decreased over the last few years, but it has decreased less than the reserves, since 1.338 billion barrels were extracted in 1984, and 1.258 billion in 1989.

The CEESP stresses that the decrease in proven reserves and production will represent fewer years of production because, while there was a guarantee for six decades in 1981, this dropped to 53 years as of 1989.

The CEESP said that the increase in gasoline consumption and the decrease in production make it necessary to purchase fuel from abroad. Consequently, Mexico was one of the major importers in 1989 and had to spend $229.5 million, while two years ago gasoline purchases were only $18.9 million.

In March, Francisco Rojas, director of the Petroleos Mexicanos (Pemex) state enterprise, said that up to 1 January of this year the total liquid hydrocarbon reserves stood at 66.45 billion barrels. He added that within a limited budget, they are trying to compensate as much as possible for the annual extraction of crude oil by locating new oil fields.

In a separate statement, Pemex announced that during the first half of 1990 $3.2 billion entered the country from crude oil exports. The company stressed that this amount represents an 11.7 percent decrease in relation to the first six months of 1989.

According to Pemex, between January and June of last year the price of the mixture of Mexican export crudes lost an average of $5.45 per barrel, while in June of this year it was fixed at $11.99 after having reached $17.44 per barrel in January.

Pemex added that the $3.2 billion income for petroleum sales abroad in the first half of the year represented 55 percent of the $5.8 billion calculated for 1990.

During the period that was analyzed, Pemex marketed an average of 1.23 million barrels per day, 72,000 barrels per day less than during the first half of 1989.

Pemex also said that the export petroleum platform was reduced by an average of 58,000 barrels per day between January and June of this year, when it went from approximately 1.277 million barrels in 1989 to 1.219 million barrels at the end of the first half of 1990.

El Salvador

Coprefa on First Major Clashes After Talks

PA0808003990 Panama City ACAN in Spanish 2318 GMT 7 Aug 90

[Text] San Salvador, 7 Aug (ACAN-EFE)— Military sources reported that at least 41 persons were killed or wounded, including soldiers and guerrillas, during bloody clashes staged over the past hours in the conflictive Chalatenango Department, in northern El Salvador.

The Armed Forces Press Committee (Coprefa) reported that 11 soldiers died and 15 rebels were killed or wounded during the clashes staged on Monday night and Tuesday morning near the town of Agua Caliente, Chalatenango Department. It also reported that 15 soldiers were wounded during the fierce clashes.

The source added that the Army has launched a "major" operation, with the participation of the Air Force, to remove the guerrillas from their redoubts in that area.

The Coprefa said that the armed confrontation began when members of the "Tecana" Counterinsurgency Battalion of the 2d Infantry Brigade, with headquarters in Santa Ana, carried out a combing operation in the area to dismantle guerrilla camps.

This is the first major clash registered since government and guerrilla delegations held the last meeting in Costa Rica, with the participation of the United Nations, during which they signed an agreement regarding the respect for human rights in El Salvador.

The government and the rebels will try to reach a cease fire during the next talks in September, with the purpose of ending a decade of war that has caused over 70,000 deaths.

Battles Between FMLN, Military Reported

PA0708184190

[Editorial Report] (Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 1200 GMT on 31 July reports that the Farabundo Marti National Liberation Front, FMLN, shot down four Air Force helicopters between 22 and 28 July.

According to Radio Farabundo Marti, "a war bulletin states that on 31 July guerrillas blocked the way of the 5th Military Detachment in Azacualpa Hill in Cabanas Department. The military detachment entered a mined field and one soldier was killed. Air Force helicopters coming to support the troops were attacked by the guerrillas, and one helicopter was damaged as a result."

Another war bulletin states that on 29 July a mine inflicted two casualties on the 1st Company of the Marine Battalion in El Picacho Hill, Usulutan Department.

A third war bulletin reports that "on 28 July FMLN guerrillas ambushed an Army convoy that was traveling from Santa Tecla to the Cavalry Garrison in San Salvador. Our guerrilla forces fooled the repressive mechanism of Ponce's staff. The report states that the ambush occurred in the place known as La Bascula. After the ambush, Army armored personnel carriers and troops came for backup, but our guerrillas inflicted two casualties and left without any problems."

During the same broadcast the announcer reports that on 28 July there was a clash between FMLN guerrillas and a National Guard patrol in El Jocote Canton, Usulutan Department. One soldier was wounded and two electric pylons were sabotaged.

Another report states that on 29 July "guerrillas sabotaged primary power lines from the 5 November Dam to Apopa, damaging two power towers and two pylons."

Later in that same broadcast, the station reported that an Air Force helicopter was damaged during heavy fighting in Chalatenango Department on 30 July. The report states that "FMLN guerrillas clashed with the Belloso Battalion in El Trigalito Hill and 12 casualties were inflicted on the Army, including a sergeant."

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0200 GMT on 1 August reports that FMLN guerrillas attacked an Arce Battalion company in San Gerardo, San Miguel Department, on 30 July. According to the report, "the guerrillas inflicted 10 casualties on the Army, including a section chief."

Another report states that on the same day "our guerrillas ambushed a 6th Infantry Brigade convoy when it was traveling from Pecapan to Santiago de Maria. A military truck was partially destroyed and 15 casualties were inflicted on the government troops."

During that same broadcast, a war report states that on 31 July "FMLN guerrillas ambushed an Oromontique Battalion Company in El Jocote Canton, Mercedes Umana Jurisdiction, Usulutan Department, causing two Army casualties."

According to Radio Venceremos, "another report states that FMLN guerrillas clashed with Belloso Battalion in Chalatenango Department on 31 July and inflicted six casualties."

Honduras

Armed Forces Denounce Activity of Subversives

PA0808022390 Panama City ACAN in Spanish 0035 GMT 8 Aug 90

[Text] Tegucigalpa, 7 Aug (ACAN-EFE)—The Honduran Armed Forces denounced today the "evident activities of subversive groups" in the country and requested the people to "collaborate" in the "detention and control" of the alleged subversive forces.

In a communique, the military stressed that they are worried about the "high rate of bloody events and arms trafficking in different parts of the country" and given the situation, they have begun a "consciousness-raising campaign on a national scale."

The communique adds that due to its geopolitical location in Central America, Honduras "has been used over the last years as a bridge for arms trafficking toward neighboring countries in the region to supply antisocial groups who have wanted to upset internal peace and democratic stability."

The Army said that during "recent times" it has detected the presence of subversive groups in the main mountain areas of the country, which along with the urban cells, have planned and carried out a number of armed attacks against "selected targets."

The communique adds that the alleged subversive groups have also simultaneously staged "mass agitation activities and a permanent disinformation campaign against the government and its Armed Forces."

The military did not indicate in what part of the country the subversive groups have been detected; 70 percent of the country is covered by mountains. However, General Arnulfo Cantarero Lopez, chief of the Armed Forces, recently said the subversives operate in the western, eastern, and northern departments of Honduras.

The "consciousness-raising" campaign is aimed at the "responsible citizenship" so they "collaborate" by reporting "suspicious people involved in arms trafficking or subversive activities."

Nicaragua

Officials Assess 100 Days of Chamorro Government

PA0708221990 Managua LA PRENSA in Spanish 4 Aug 90 pp 1, 6

[Report by Emilio Zambrano]

[Text] Democracy in Nicaragua, 100 days into the government of Mrs. Violeta Barrios de Chamorro, is like a train rolling through tunnels but always going forward toward full change. That is what acting Legislative Assembly President Luis Sanchez Sancho said yesterday at the start of the "Democracy on the Move" program that focused on the topic of the first 100 days of the Chamorro administration. Presidency Minister Antonio Lacayo; Economy and Development Minister Silvio de Franco; Government Minister Carlos Hurtado; Danilo Lacayo, director of information and press of the presidency and host of the program broadcast on Sistema Nacional de Television; and Luis Sanchez Sancho discussed sensitive issues connected to the establishment of a fledgling democracy in our country, within the context of assessing the first 100 days of the government.

Luis Sanchez Sancho, a well-known leader and deputy, assessed the government from the people's standpoint. Sanchez used analogies to say that there is no fear of letting the people express their political views, contrary to what used to happen during the Sandinist regime. During that time, the assembly had a "steamroller [reference to the Sandinist bloc] that did whatever it pleased," and the opposition was not allowed to participate in the political arena, as the FSLN [Sandinist National Liberation Front] is doing from the opposition under UNO's [National Opposition Union] democratic system.

He said that now UNO and Sandinist deputies sometimes reach an agreement on certain laws, adding that this can only happen in a true democracy.

What is the government doing for the neediest? Danilo Lacayo admitted that there are serious social problems and noted that "we must first put the house in order." He added that patients must receive good care as far as the economy is concerned. With figures in hand, Presidency Minister Lacayo said that the inflation rate, which was 128 percent in May, dropped to 63 percent in July. He said that everything is poised in favor of sectors that have always been sidelined. The minister said the situation is improving and that the previous high inflation rate was the result of a situation the government inherited. However, the Chamorro government expects the inflation rate for August will be 30 percent, and 20 percent in September, and that it will drop to a single-digit figure in December.

In a move politically inspired to win votes, the FSLN lowered the devaluation rate and postponed corrective measures to improve the economy. "Therefore, the previous government did not want to pay the political cost of the devaluations," Minister Lacayo said. One of the tasks of the new government is to reduce devaluations to two or three percent a month in 1991. Commenting on the government's first 100 days, the presidency minister said "nobody said everything will be easy. Anyone who thinks that this country, which has withstood natural catastrophes, wars, and the turmoil of a revolution, can be fixed in 100 days, is wrong." He added that Nicaragua will continue advancing beyond these 100 days thanks to international aid and "to an understanding among Nicaraguans."

Government Minister Hurtado, reviled by radical groups that are pressuring him to take a "strong hand" against Sandinist troublemakers, said that, unlike the past, nobody will be arrested in this country for politically disagreeing with the government. "That is a step only taken in a true democracy," he said, admitting that this is one of the major achievements of the Chamorro government's 100 days. "Just as we resolved the problem of war, we must resolve the problem of peace. One can breathe more peacefully because the people feel confident about the future, Hurtado said. He conceded that, although the country has undergone very tense moments

because of problems following the war and the situation that was inherited, it has been possible to overcome them thanks to dialogue.

Referring to radical sectors that choose confrontation, Hurtado said that in 100 days the government has tried to change the timeworn practice of solving problems through violence. That is why, Hurtado said, "Mrs. Chamorro's government is promoting a new style to settle social and political conflicts through dialogue and while guaranteeing public order."

"This house was shaken by an earthquake and then a hurricane; that is the situation Mrs. Chamorro inherited," Economy and Development Minister De Franco said, referring to the constant devaluations in those first 100 days of government. He added that the new government is fighting inflation and distortions in the economy, using rationality as a premise to overcome the crisis. Despite the recent FSLN attacks on the country's economy, De Franco said the government is trying to lower the fiscal deficit so that the number of devaluations can be reduced.

De Franco said that in April the new government found that the outgoing Sandinist government had spent over half the government budget in a matter of days. He added that the FSLN left a fiscal deficit of over $100 million. The Sandinist regime had not adopted corrective measures to lower the fiscal deficit, as the Chamorro government has in its 100 days, he remarked. Among those measures are the reduction in military spending, fiscal reform, and control of foreign exchange. Regarding foreign aid to our country, De Franco said: "Many countries are helping us and others wish to. However, we must establish the grounds for a social agreement, which Mrs. Chamorro announced last month. That is the only way we will have confidence so that the aid needed by the patients arrives."

De Franco warned that too much emphasis is placed on the gold cordoba "as an extreme instrument." "It will certainly help us generate trust, but it does not constitute a fundamental economic instrument; work and productivity constitute the basis for that," he noted. To conclude, when asked how much longer the devaluations will continue, De Franco replied that "without an increase in productivity and a reduction of our fiscal deficit we cannot promise devaluations will end."

Former Contra Leader Advocates Reconciliation

PA0708210890 Managua Radio Sandino in Spanish 1300 GMT 5 Aug 90

[Text] Do you remember Steadman Fagoth? Do residents of the coastal areas remember him? Do you remember that he used to be a counterrevolutionary leader? However, 100 days after the new government took over, Mr. Fagoth has reportedly realized that the only option left for coastal residents to overcome their undervelopment and current problems is national reconciliation. Let us listen to what Steadman Fagoth, a former counterrevolutionary leader of Yatama [Miskito, Sumu, Rama Indians, and Creole Group Organization], has to say:

[Begin Fagoth recording] I have met with certain Sandinist deputies [words indistinct] situation of coastal residents stemming from political-ideological differences. [Words indistinct] seems that there is a willingness to hold talks and defend the Atlantic Coast rights despite differences in political ideology.

For certain people, reconciliation has demagogical and rhetorical connotations. We on the Atlantic Coast do not use it for demagogical, rhetorical, or political purposes. We have deep feelings about it. We are a nation with a small population and cannot think about war. Furthermore, nobody wants war.

The time has come for the Sandinist National Liberation Front, which has a real presence in the region with its 22 councillors in keeping with the autonomy structure [words indistinct] overcome the traditional underdevelopment [passage indistinct], because the time for revenge is over. [end recording]

Government Demands Stalemate Talks With Workers

PA0708223090 Managua Radio Sandino in Spanish 1300 GMT 5 Aug 90

[Text] The workers accused the government for being intransigent. The unilateral conditions introduced by the government over the weekend stalemated the discussions on the serious recession facing most industrial companies as a result of the economic measures imposed by Central Bank President Dr. Francisco Mayorga.

The impasse occurred when the government delegation, which presides over three technical commissions that are discussing financing for the textile-clothing, construction, and metal products industries, asked the workers to renounce their right to strike, approve the firing of 1,500 workers, and accept industrial modernization.

The commission that is discussing the financial crisis of 14 textile factories was forced to suspend its work session, because of the intransigency of Labor Minister Francisco Rosales, although the FNT [National Workers Front] showed more flexibility in its stand toward the restructuring of personnel.

Carlos Borge, labor leader of the textile-clothing industry, said that he conveyed to the labor minister his willingness to negotiate this restructuring three months after the government provides financing for the 14 factories. However, he added, the government delegate rejected this proposal and insisted on the immediate firing of 1,500 workers, the unionists' renunciation of their right to strike, and acceptance of industrial conversion.

Coip [People's Industrial Corporation] officials Daniel Fajardo and Federico Cerda submitted the financing

proposal that the commission is discussing. This proposal calls for the granting of $7 million to finance the textile-clothing industry over a three month-period under the conditions already mentioned.

Borge denounced the government delegation for actually seeking FNT approval to privatize APP [People's Ownership Sector] businesses, but the labor leader vowed to never accept that.

Panama

Foreign Minister Linares Discusses Sovereignty

PA0808004190 Panama City EL PANAMA AMERICA in Spanish 7 Aug 90 p 5A

[Report by Lucas R. Aleman H.]

[Text] In an interview with EL PANAMA AMERICA, Foreign Minister Dr. Julio Linares addressed topics of importance for all Panamanians, ranging from the use of demagoguery to define the concept of sovereignty to the current situation of the government coalition.

Regarding the concept of national sovereignty, Linares said that this concept is not interpreted correctly, and many times it is used for demagogic purposes.

"Pretending to be independent or constantly voicing words of independence and sovereignty when we do not have the resources necessary to meet our most indispensable needs such as providing housing, education, and a job for all Panamanians is like cheating on ourselves," said Foreign Minister Linares.

Linares said that the only way for Panama to some day become a sovereign country is through hard work by all Panamanians; this is what will foster political and economic stability. He feels that if these conditions are not met, Panama will always be subjected to foreign interests.

Regarding the Panama Canal and the preparations made to assume the waterway's control, Dr. Linares said that "it is shameful that even though the Torrijos-Carter treaties have been in effect since 1979, there is no plan regarding what to do with the reverted areas or regarding the institution that will administer the canal after the year 2000."

Referring to the new idea of regional offices to organize the Panamanian consular corps, the Foreign Minister said that "these offices are intended to give seriousness to the service afforded overseas to the Panamanian merchant navy."

Linares said that "the service will be honest and better because it is a known fact that shipping companies are charged way above the consular rates so as to benefit the consuls." Linares added that in certain cases these regional offices will act as consulates.

Central American integration is another topic on the foreign ministry's agenda. Dr. Linares said that there "is a political and diplomatic closeness" with area countries, but a study is required by the Mippe [Planning and Economic Policy Ministry] and by private enterprise to learn if economic integration with area countries is good for Panama or not.

On the subject of the ADOC [Civic Democratic Opposition Alliance] coalition, eight months after taking power, Foreign Minister Linares said that friction among the parties that make up the coalition has been greatly exaggerated; however, he said that there is personal friction.

"The differences are more at the personal level than at the party level. What I do notice, and it hurts me, is that perhaps due to the fact that we lived 21 years under a dictatorship, we do not know what democracy is. We politicians must realize that to rule we must use self-discipline and know that to be free is not to govern without consensus," Foreign Minister Julio Linares said.

Government Takes Measures To Increase Security

PA0708210690 Panama City EL SIGLO in Spanish 7 Aug 90 p 12

[Text] Ricardo Arias Calderon, second vice president and government and justice minister, has announced the implementation of an operation called "Lurking Hawk" [Halcon al Acecho], which consists of adopting new measures to intensify the struggle against crime.

Here is the communique issued at the end of a meeting between Minister Arias Calderon and his subordinates:

Government and Justice Minister Ricardo Arias Calderon met today with Deputy Government Minister Ramon Lima; Ebrahim Asvat, institutional director of public security; Raul Arias de Para, public force and justice financial director; Colonel Eduardo Herrera, National Police general director, and Major Cristobal Santiago Fundora, director general of the National Air Service, to discuss the best way to continue the National Government's struggle against crime. The following measures were adopted as a result of the meeting:

1. Transfer the Metropolitan Police headquarters to the National Police headquarters to improve the coordination and effective use of personnel and resources in the struggle against crime.

2. Reduce administrative National Police personnel in order to increase the personnel in charge of providing security to the community.

3. Equip as soon as possible the new vehicles donated to the National Police so that they can be used as soon as possible for police patrolling.

4. Authorize the use of personnel who have received special antiterrorist training in order to strengthen the surveillance of the banking sector.

5. Authorize the use of personnel who have received special training in controlling crowds to gradually reinforce security in the various police zones.

6. Coordinate with the National Air Service the use of two helicopters, which should be available in the downtown areas of the capital city to provide air police surveillance whenever necessary.

7. Instruct the National Police members to make adequate use of their firearms to repress any action by an armed criminal who engangers human lives.

The population may rest assured that the government will use all the legal means available to continue its struggle against crime and provide security with respect for human rights.

Minister Arias Calderon availed himself of the opportunity to praise the sacrifice made by National Police member Jorge Amaya, who was seriously wounded yesterday while arresting a criminal in the Curundu area.

President Withdraws Libel Suit Against Professor

PA0708164790 Panama City Circuito RPC Television in Spanish 2300 GMT 6 Aug 90

[Text] Panamanian President Guillermo Endara Galimany has withdrawn a libel suit filed against Dr. Miguel Antonio Bernal.

This afternoon President Guillermo Endara met with Professor Miguel Antonio Bernal to discuss the suit filed at the Attorney General's Office. As he departed the presidential palace, Dr. Bernal made statements regarding his meeting with President Endara.

[Begin recording] [Bernal] Everything was cleared up with the president. It was a very pleasant meeting. Therefore, this meeting wrecks the intentions of all those who wanted to fish in troubled waters.

[Reporter] Will the president withdraw the suit?

[Bernal] Yes. He told me he would immediately call the Attorney General's Office to withdraw the suit. He said that tomorrow he will sent a written note ordering the absolute withdrawal of the suit against me.

In addition, I want to inform you that as a result of my conversation with the president, I have hopes of getting back my radio commentator's license very soon. I am going to request the license from the president himself.

[Reporter] Will you continue criticizing the government after your conversation with the president?

[Bernal] I want to clarify that I do not consider myself a critic of the current government. I advocate the principles of freedom, justice, and democracy for which the Panamanian people struggled. If defending those principles entails the need to criticize, I will do so with the responsibility and respect that have always characterized me. However, I will not step on any banana peel—as we commonly say—which certain political forces that wish to take advantage of the situation to displace President Endara may throw in my way. I will not fall for that, because that is not my role. [end recording]

Nuclear Waste Ship Transits Canal 5 August

PA0708150190 Panama City LA PRENSA in Spanish 6 Aug 90 p 1

[Text] The announced crossing of the canal by the ship Pacific Sandpiper, which is carrying nuclear waste material, took place last night before a few reporters, curious onlookers, and canal officials on duty. The ship crossed the canal's Miraflores Locks at approximately 1900.

Reporters and Greenpeace members had waited for the ship throughout the day, but as time passed they gradually left because there was no official information on the time of the crossing.

Canal official Miguel Capriles, exhibiting the log of the ships due to cross the canal, said that the name of the Pacific Sandpiper was not in the ship log.

"We receive the list, just as the commission pilots do, but the name of the ship is nowhere," Capriles explained.

However, sources close to the canal authorities said that the crossing of the ship, which belongs to the transnational company Pacific Nuclear Transport Ltd., was kept "confidential" for security reasons.

Conservationist organizations of the country went to the area carrying posters and shouting slogans against the crossing of the ship, but they left at nightfall. Among the groups that went to the Miraflores Locks to protest were Greenpeace, Panama Foundation, Conservationist Association of the University of Panama (Acupan), AUCA, ADEB, SIBUP, BIO, CETIC [expansions unknown], Biological Advancement, Conservationists of the Chase Manhattan Bank, and students of the Colon Central Regional University and the Biology Department of the Science School.

Leader Angela Fawcett said the protesters wished to publicize their objection to the crossing of ships carrying materials that are highly dangerous to human existence.

Correction To Noriega Documents Allegedly Leaked

PA0708122290

The following correction pertains to the item headlined "Noriega Documents Allegedly Leaked to Castro," published in the 7 August Latin American DAILY REPORT, page 14:

Page 15, column one, paragraph five, last sentence make read: ...and newspaper staff writers" unrelated to Noriega's.... (supplying closing quotation marks)

Argentina

Defense Minister Denies Sale of Weapons to Iraq

PY0708222590 Buenos Aires DYN in Spanish 1914 GMT 7 Aug 90

[Text] Washington, 7 Aug (AFP)—Defense Minister Humberto Romero today said in Washington that Argentina has never sold weapons to Iraq. He added that he is concerned about the crisis in the Persian Gulf and said that President Carlos Menem is receiving constant information from the White House.

In reply to a question by AFP, Romero said: "No, Argentina has not sold weapons to Iraq."

Concerning the worldwide economic and military blockade on Iraq that was agreed in New York yesterday by the UN Security Council, Romero said: "Argentina will not be affected by this resolution," especially as far as the military sector is concerned. Romero said that he was informed about the Iraqi invasion of Kuwait last week when he was visiting several U.S. military units in Arkansas.

He said that President Bush had ordered the White House "to keep President Menem permanently informed on the development of the situation in the Persian Gulf."

He added that "Vice President Quayle and President Menem will probably discuss this matter during a meeting scheduled to be held in Bogota," where the two dignitaries are attending the presidential inauguration.

During this meeting, Romero said, Quayle will confirm to Menem that President Bush "will visit Argentina," and that his tour—which also includes Brazil, Chile, Uruguay, and Venezuela—"was postponed because of the crisis in the Persian Gulf."

Quayle personally told Romero this at the White House yesterday, on the eve of his tour of Colombia, Peru, Bolivia, and Haiti.

The White House has thus far officially reported that Bush will not visit South America in September due to the difficult negotiations with Congress on the preparation of the budget for the 1991 fiscal year.

In Washington, Romero also held a long meeting with Paul Wolfowitz, under secretary of defense for policy; chiefs of the joint staff; and with other high-ranking officers from the Pentagon, with whom he discussed several matters.

Romero explained to them Argentina's special interest in promoting a policy aimed at establishing "relationships for cooperation" in terms of military defense with its Latin American neighbors as well as with Europe and the United States.

Romero also said that Argentina is fully reorganizing its Armed Forces by improving laws like the defense law, and that it is also speeding up the state-owned enterprises privatization process.

He said that out of the 33 enterprises linked to the Defense Ministry "only 12 of them manufacture weapons," and that all of them are included in the privatization process.

Romero also discussed this matter today with Secretary of Commerce Robert Mosbacher, to whom he explained that the privatization program is "absolute" because it includes all state-owned enterprises.

Concerning the 33 enterprises linked to the Defense Ministry, Romero said: "most of them are deficit-running companies, others demand great investment, and only two are profitable."

He added: During 1989 the state-owned enterprises that will be privatized had a deficit which totalled $4.5 billion.

"We want to reduce our Armed Forces, but we want to make them more efficient, with advanced technology, and at the lowest cost possible," Romero said.

He also discussed matters related with drug trafficking and military trials. Concerning specific military aid for the antidrug struggle, he said that he will not request "anything" in Washington.

The drug matter was included in the official talks, taking into account that the United States "consumes 60 percent of the total cocaine produced in Latin America."

Romero said: "Argentina is not confronting the drug trafficking problem, but in view of the pressure, drug traffickers may be forced to look for alternative places for their activities and we do not want them to use our country as their alternative."

Concerning the situation within the Armed Forces, Romero said that "relations between the Armed Forces and the government have greatly improved" through a "successful policy of reconciliation" to recover a country harmed by a civilian-military confrontation that occurred in the past, and which left wounds that have not yet fully healed. He pointed out that "two decisions have been already made: The pardoning of military men and those who participated in subversive activities. It is up to the president and the court to make the third decision regarding the pardoning of other high-ranking military men who are charged with human right violations."

Iraqi Envoy Terms Government Stance 'Damaging'

PY0708225190 Buenos Aires DYN in Spanish 2212 GMT 7 Aug 90

[Text] Buenos Aires, 7 Aug (DYN)—The Iraqi Government today issued a severe warning to the government of President Carlos Menem and stated that the Argentine repudiation of the Iraqi invasion of Kuwait "will be damaging to Argentine interests now and in the future."

The Iraqi complaint to Argentina was conveyed this afternoon at a news conference by Iraqi Ambassador Taha Yasin al-Basri [name as received], who noted that his country "learned with great surprise and distress the position adopted by the Argentine Government."

The diplomat read a nine-point statement on the Iraqi position regarding its conflict with Kuwait and ended the news conference annoyed by some questions posed by the Argentine journalists.

Government Endorses UN Sanctions on Iraq

PY0708230890 Buenos Aires DYN in Spanish 2240 GMT 7 Aug 90

[Text] Buenos Aires, 7 Aug (DYN)—The Foreign Ministry has reported that the Argentine Government "will strictly, immediately, and fully comply" with the UN Security Council decision imposing sanctions on Iraq due to its invasion of Kuwait.

In an official communique, the Argentine Foreign Ministry states that the UN Security Council "is primarily responsible for maintaining international peace and security."

Government Reaffirms Stand on Diplomatic Asylum

PY0708142090 Buenos Aires DYN in Spanish 2132 GMT 6 Aug 90

[Text] Buenos Aires, 6 Aug (DYN)—Today the Argentine Foreign Ministry reaffirmed, in a communique, the Argentine Government's respect for the right to diplomatic asylum, but it did not mention the reason for issuing the communique.

However, Argentine diplomatic sources noted that the communique implicitly refers to the situation that recently erupted in Cuba, where Cuban President Fidel Castro provoked a diplomatic incident with Spain when several Cuban citizens sought refuge in the Spanish Embassy in Havana.

The following is the text of the Foreign Ministry communique: "The Argentine Government deems it appropriate to reaffirm the need for full respect of the right to diplomatic asylum which, for Latin American countries, means obeying a fundamental foreign policy principle and an honorable tradition that has generated rights through custom and usage as well as conventional obligations that were included, among others, in the 1928 Havana Convention, the 1933 Montevideo Convention, and the 1954 Caracas Convention."

Rico Comments on Governor Cafiero's 'Arrogance'

PY0708232590 Buenos Aires DYN in Spanish 0156 GMT 6 Aug 90

[Text] La Plata, 5 Aug (DYN)—The rebellious former Colonel Aldo Rico today said that the victory of the "no-vote" in the plebiscite means that "common people no longer want to be fooled." He added that Governor Cafiero's "arrogance" has involved President Carlos Menem in "a personal maneuver."

Wearing an olive-green vest and scarf, Rico made these comments during a news conference at the Corregidor Hotel, in La Plata, only 80 meters from the Government House where some 20 members of the Workers Party gathered to celebrate the victory of the "no-vote."

The former military officer, who led two rebellions against Raul Alfonsin's democratic administration, has discarded the possibility that the parties that supported the no-vote may "capitalize" on the victory. He said that this victory belongs to "the real people of the country who, with courage and decision, rejected the proposed reform."

Rico said: "While President Menem talks about reconciliation, Cafiero involved Buenos Aires Province in a dispute that has divided Argentine society." He pointed out: "The achievements and virtues of Cafiero's administration were not tested in this plebiscite."

"The result of this plebiscite is a rejection of all members of the governing class," Rico said. He asserted that currently "the institutions are not functioning because they are in the hands of corrupt and ineffective officials."

Rico said: "The common people no longer want to be fooled." He defended the political project started on 24 April by "Rico and Operation Dignity."

He concluded by saying: "It is not the time to talk about candidacies," however, he admitted having "political ambitions" aimed at "replacing the current governing class and creating a political force to occupy administrative positions and revert the decadent process that is affecting the country."

Bolivia

Paz Gives State-of-the-Nation Address

PY0708215690 La Paz Television Boliviana Network in Spanish 1945 GMT 6 Aug 90

[President Jaime Paz Zamora's state-of-the-nation address on the occasion of a new National Congress session and Bolivia's independence day, at the Central Bank building in La Paz—live]

[Excerpts] Mr. President of the National Congress and Vice President of the Nation, Mr. President of the Supreme Court of Justice, Mr. President of the Honorable Senate, Mr. President of the Honorable Chamber of Deputies, Honorable Senators and Deputies, Messrs. Ministers of State, Messrs. Justices of the Supreme Court, Messrs. Members of the Armed Forces High Command and of the National Police High Command, Messrs. Bolivian Episcopal Conference Members, my dear friends General Hugo Banzer Suarez and Oscar Eid

Franco, Messrs. Diplomatic Corps Members accredited in Bolivia, Messrs. Business and Labor Leaders, Mr. Mayor of La Paz and wife, Mr. President of the Municipal Council, officials of La Paz' El Alto District, dear fellow countrymen, Bolivian men and women:

Allow me to remind you that it was Marshal Antonio Jose de Sucre who summoned a national assembly for the first time after crossing the Desaguadero River laden with glory, illusions, and sorrow. It was this national assembly that heard—once the Republic was established—the first state-of-the-nation address in our republican history. This address was entitled: "Report of the Commander in Chief of the Liberating Army in Charge of the Departments of Upper Peru [old name for Bolivia] to the General Assembly of Said Departments on the Day of its Installation."

Needless to say this remembrance is not intended merely to remind us of our history. Its objective is to make sure that the annual repetition of this ceremony does not change it into a ritual that is alien to its original spirit.

I believe it is necessary for the citizenry to fully realize that what we are doing here today is a continuation of the Republic's founding.

Imbued with this spirit and conviction, called forth by our nation's founding fathers, I appear before you today. Under these circumstances, the best way for Bolivians to honor independence day is to turn this ceremony into a moment of national reflection on the fatherland's situation, on our achievements, and on the course that lies ahead of all of us.

I come before this assembly in compliance with the Constitution. In doing so, I want to reach each and every home and involve all Bolivians in this dialogue.

I invite you to consider truth to be our turning point. There is no reason to hide anything among ourselves. The times when force and self-sufficiency conditioned the citizenry's conscience are over. This moment is more important if we consider that thanks to the satellite communications system we dedicated this year, a presidential message can, for the first time, be followed on radio and television by all Bolivian citizens inside and outside the national territory. Thanks to this technological revolution in our communications, Bolivia this afternoon has become a kind of great meeting place for interlocution and simultaneous dialogue among its children.

On this exceptional occasion, I want to thank God for having allowed us to be members of a country with an incalculably rich mixed blood as a result of its ethnic groups, multiple traditions, many geographic regions, and different historic inheritances, which have been forced by history to integrate and coexist. This country has not survived by chance. It is not the result of improvisation or a temporary commitment; it is a country that has proven its viability beyond any doubt, and it is here on its feet looking toward the future with the confidence of those who know who they are and where they are going. [applause]

I want to tell you that I would have preferred to speak with you directly and colloquially, as I am used to, without the estranging mediation of a piece of paper. However, I must read my presidential message because Article 96, Clause 10, of the Bolivian Constitution states that the presidential message should be presented in writing. I also want to point out to the president of the National Congress that I have also brought, in compliance with the same constitutional article, a written report from each ministry, which I am giving to you.

As I share with you the overall balance of the actions accomplished by this government of national unity during its first year in power, I must begin by stating with satisfaction my conviction on what I think constitutes the central thesis of this report: The Bolivia of August 1990 is better than that of August 1989. In order to demonstrate this thesis we will review the main aspects of national reality, government action, and the internal and external (?performance) of social and economic agents, and we will provide as proof concrete facts and figures that will overwhelmingly reflect this reality.

Social peace and political stability have been consolidated based on dialogue and understanding. We have managed to reinsert the country into the international community.

We have fought the greatest scourge of modern times: drug trafficking. We have managed to substantially reduce our foreign debt and have broadened our international financial sources. We have consolidated financial stability and restored domestic and foreign confidence. We have reversed the tendency to not invest in Bolivia, and new capital is starting to flow into our country from abroad. The government's actions are reflected in concrete projects, especially in the transportation, communications, energy, agriculture, and livestock sectors. We have made important progress in the health sector, despite the Bolivian people's lack of infrastructure.

However, although this first thesis is the highlight of my speech, it is neutralized by a second, undeniable conclusion resulting from an honest evaluation: Bolivia in 1990 is still not the Bolivia we really want.

For this reason, we will also review in detail the mistakes we have made, our delay in achieving certain objectives, and, in certain cases, our lack of means or conditions to achieve objectives we consider vitally important. For example, we must mention the failure to reach a consensus on constitutional and electoral reform; the high unemployment rate despite the fact that 60,000 new job opportunities have been created; the persistence of corruption in the Bolivian citizen's daily activities; the slow rate at which public investments are carried out; the embryonic reorganization of public enterprises; the unfair distribution of credits; the educational system's failure to meet the country's current and future needs;

the persistent high degree of neglect, undernourishment, and mortality, in sum, the high degree of acute poverty in rural areas and the cities; the delay in implementing urgent changes in the state apparatus; and the various obstacles encountered in efforts to attract foreign resources. In this realistic, sincere evaluation, free of technicalities and demagoguery, I wish to share with you the concern and spirit of your president, who makes every possible effort to promote what is positive and restrict what is negative.

It will be up to you Bolivian citizens and the history of the third millennium to say the last word. At this moment, nobody can remain indifferent, everyone is responsible for the fatherland's fate. Before this naked truth, I demand your truth and participation.

Mr. President, dear fellow countrymen: Following this brief substantive evaluation of our first year in power, I wish to call your attention to certain specific aspects related to democracy, the state, the economy, international relations, and society.

I wish to start by referring to the consolidation, improvement, and strengthening of the democratic institution.

The patriotic accord has fulfilled and continues to fulfill its duty to the country. It has resulted from the belief that on 7 May 1989, the people expressed their desire for the main national political forces to form a coalition. At that time, it was stated that the agreement, which represented a new political style, would be permanently based on the principles of loyalty, unselfishness, and good faith. This has been the case. General Hugo Banzer, leader of the Nationalist Democratic Alliance, has reasserted his desire to contribute to building this democracy with a seriousness and honesty that deserves the Bolivian people's recognition. [applause]

The two parties inaugurated an historical cycle within which they maintain their unalterable political link, to the surprise of the public and especially, of the political opposition, which operated on the belief that this understanding would not last and would suffer the traditional chronic weakness of Bolivian political agreements. However, this agreement was established with historic good timing; it responded to Bolivia's concrete needs and to factors in the international situation, in which democracy is gradually reaching a point of no return.

We have entered a stage in which democracy is rediscovered as a revolutionary fact. The dream of hegemonic parties and the nightmare of governments imposed by force or by seditious actions is over. Exercising the right to effect changes within a democratic revolution, the people can now play a direct role in opposing any hegemonic attitude. People now seek equal opportunities, they reject outdated intermediary forms, and they demand modernization of the political, economic, and social systems. Within this context of democratic revolution, the Patriotic Agreement represents a substantial contribution to the strengthening of national coexistence, agreement, understanding, and civil liberties, as opposed to confrontation and conflict.

This is the only manner in which the solutions we are seeking can reconcile the interests of different parties and not turn into a mechanism to simply eliminate an opponent. The country understands it in this way, and that is why it supports us. [applause]

Mr. President, dear fellow countrymen: We have always listened to those who disagree with our decisions. Because we are concerned, we learn of the feelings of the majority of the people through direct dialogue and opinion polls. We are motivated democrats, and we take into account the need to make appropriate corrections. We have developed a policy of relating to society in keeping with a spirit of democratic understanding.

The Republic's president has also traveled across the national territory, visiting in one year the main Bolivian cities as Article 98 of the Constitution requires the president to do during his four-year mandate. We began a new system of cabinet meetings in places where the specific regional demands required it, such as in Cobija, El Alto, and Canada Honda, beside the Grande River in Santa Cruz Department. We also met with union leaders, businessmen, and all social sectors. Thus, we contributed to improving internal coexistence among Bolivians.

The objective of transforming the people's initial insecurity into trust and credibility has been successfully achieved. The deep meaning of this fact is remarkable when compared with the dramatic transition that still has part of the continent submerged in inflation, instability, or violence. For example, the number and intensity of strikes in this past period have been clearly smaller than the average for any of the past 10 years, particularly with regard to the national production apparatus. Coordination and cooperation between the legislative and executive branches were remarkably fluent.

I must emphasize the degree of responsibility that the legislative branch demonstrated by approving the SAFCO [Integrated Control System of Financial Administration] law, a key element in modernization of the state apparatus, and the expediency with which it approved many international agreements that were vital for national development and the national budget, which is an indispensible tool for governing the country.

It is true that there are still bills to be approved that are of burning interest to the nation. I have no doubt that the national legislative branch will use its patriotic energy to give priority attention to the bill on investments, the draft mining code, the bill on hydrocarbons, the bill on reorganization of department administrations, and the bill on the basic Armed Forces law, among others.

In connection with one of these bills, I would like to say that so far, the many promises of government decentralization have brought only bewilderment, disillusionment, and disappointment. In keeping with our government program, which we pledged to fulfill, we submitted to the honorable Congress the bill on reorganization of department administrations as an initial step in a meaningful process of decentralization. I urge the legislative branch to discuss and approve this bill in the course of this year.

The democratic revolution requires the participation of all of the nation's citizens. However, to achieve this, the Bolivian people must believe that the state is efficient, honest, and democratic. These three objectives can be attained only if we modernize the current administrative system. We need the legislative branch's cooperation in this endeavour. Congressional actions must assist the executive branch in a nationwide quest for investments, employment, education, health, housing, and other very important matters, such as constitutional and electoral reform.

The strengthening of the judicial branch's independence is an outstanding achievement of Bolivia's democratic progress. We have contributed to the enhancement of this process by maintaining an attitude of respect for this branch and by diligently attending to its needs in every field. We agree that reforming and modernizing this branch is a task for all Bolivians. With this in mind, I want to welcome the chairman and justices of the Supreme Court of Justice to these premises. [applause]

All Bolivians now recognize that the Armed Forces and National Police have continued to carry out their democratic institutionalization process in a dedicated and efficient manner. I must emphasize the Armed Forces' fulfillment of their strategic duties and the role they play in social and economic development. My government, within the economic restrictions imposed by the country's financial situation, has promised to help the Armed Forces achieve the levels of equipment and efficiency necessary to fulfill their specific duties. We will persevere in our efforts to ensure that our police continue the evolution toward scientific and technical sufficiency.

An important contribution to an improved Bolivian democracy is the creation of a single national registry, which will ensure an honest electoral process. I have great satisfaction in announcing that in this way, we will leave behind the fraudulent habits of manipulating and altering the people's votes. We have started the Single National Registry Program, through which each Bolivian citizen will be given an identity card. Bolivian citizens without identity cards will no longer exist. [applause] This way, we will comply with the promise we made to the Catholic Church during our electoral campaign, and eliminate one of the most commonly used electoral fraud mechanisms.

The fact that each citizen has his own identity card has allowed us to call for bids for the purchase of a computerized voting system. God willing, and if the Bolivian people allow it, the 1991 municipal elections will be the first in Bolivian history with fully documented citizens.

As is public knowledge, freedom of the press and of speech have been fully respected. The reorganization of the information sector through its incorporation into the Ministry of the Presidency seeks to improve this public service.

State-Catholic Church relations have developed in an atmosphere of mutual cooperation to benefit the country, in keeping with the contents and spirit of the Constitution, the Republic's laws, and our people's religious faith.

Mr. President of the National Congress and my dear fellow countrymen: Geographic characteristics, economic backwardness, and the centrifugal tendency of the world system have marked Bolivia's historical leaning toward international isolation and dependency.

In recent times a worrisome deterioration in relations with Latin American countries must be added to the aforementioned, running against the current of history and economic realism.

The national unity government had to change the direction of that trend to passively be left outside.

We took the path of diplomatic directness as the most expeditious and quickest form of action—one that was more in line with communications systems and was used more often by modern world leaders.

We did so with precise ideas and objectives in order to strengthen an active international presence with our own ideas and with a defined policy, which would replace the country's traditional image of begging with the image of a mature, stable country that submits clear, realistic solutions to the problems of its relations with the world.

In quick trips to the United States, Europe, and the capitals of America, the country was received as a new, respected partner, and substantive support was won for our economic development programs.

The stigma of a drug trafficking country had to be done away with. Therefore, we had to draft an argument that would show the world the real nature of the problem, its very deep causes, and its pernicious effects on Bolivian society.

Without a doubt this was a matter of top priority. This is why I personally outlined Bolivia's argument to world leaders at the UN General Assembly; to President Bush in New York and at the White House in Washington; to the Andean presidents at the meeting in Ica, Peru; to the Spanish king and prime minister; to the Italian president and prime minister; to the Belgian king and prime

minister; to His Holiness the Pope; to the president of the European Community commission; and to all Latin American presidents.

This resulted in the "Coca for Development" thesis or, alternative development, which can be summed up by the fact that the fight against drug trafficking and drugs should not make either the peasant who produces the primary product or our own country itself any poorer.

The peasant must be offered productive work alternatives that are compatible with his dignity and economic needs. And, on the national level, the coca economy must be replaced with a new, modern economy that is capable of competing in international markets.

This Bolivian thesis became an international doctrine in the historical Cartagena Accord, in the Andean presidents' Cuzco Declaration, at the European summit meeting in Dublin, and at the industrialized countries' summit in Houston; not to mention, parliamentary declarations at the international level and those of the world conference on drug trafficking.

The result of this task is the ever-increasing mobilization of economic aid granted by the international community for the Bolivian plan for alternative development. Approximately $300 million per year is needed to implement this plan in order to urgently create jobs for peasants, strengthen the country's balance of payments, and invest in productive development projects.

The United States has increased its Bolivian support program for 1990 by 70 percent. Approximately two-thirds of the $150 million will be used for alternative development.

The EEC governments and organizations have promised to provide financial support equal to that promised by the United States.

While designing and implementing the "Coca for Development" policy, Bolivia has not disregarded its responsibility in the fight against drug trafficking and in interdiction efforts. Bolivia issued regulations implementing Law No. 1008 and on the sale of coca leaves; it created a national commission for the management of goods seized from drug traffickers; and it named the first executive secretary of Conalid, the National Council against Drug Abuse and Illegal Drug Trafficking, whose operation has been guaranteed. Bolivia executed the most successful interdiction policy in America through peaceful means, without launching the country into the frightening picture of bloodshed and violence that characterizes the struggle in other brother countries.

The following drug processing facilities were destroyed between August 1989 and 31 July 1990: 1,047 cocaine paste factories, 2,090 maceration pits, and 14 crystallization laboratories. In addition, 11.4 tons of cocaine hydrochloride were confiscated. This reflects a 73 percent increase over the average figure of the past five years.

The voluntary reduction of coca farms reached 6,202 hectares. In addition, the destruction of nurseries prevented the creation of 6,158 hectares of farms. The eradication of farms has, therefore, considerably surpassed the target set by Law No. 1008.

The target that was set for 1990 was surpassed in the first seven months of the year.

All this has been accomplished without foreign troops, without the participation of foreign troops in any operation, and with an efficiency of which we Bolivians should feel proud because it reduced the use of violence to an absolute minimum.

At this point I want to refer to the misnamed militarization of the struggle against drug trafficking. We must first explicitly state that we do not plan to order the direct participation of the Armed Forces in this task. The Armed Forces will fulfill their duties and act in compliance with the terms of the Constitution and military regulations under the command of their captain general. [applause]

For the Bolivian Government, the fight against drug trafficking is a task to be dealt with essentially by the police. This position is part of the international strategy that was solemnly agreed upon in Cartagena at Bolivia's request.

Last August, the presidential message blamed the economic deficiencies of the previous administration on Argentina's failure to pay gas bills. What a remarkable qualitative change has occurred in one year!

As a matter of fact, our relations with Argentina in August 1989 could be described as follows: Bolivia had not received a cent for Argentina's natural gas bills since January 1989. This posed serious risks for the payment of salaries and wages, and jeopardized the country's economic and financial stability. Bolivia owed more than $800 million to Argentina and was paying more than $55 million as yearly interest. In a framework of deteriorated political and economic relations, it was practically impossible to continue to negotiate on natural gas sales to Argentina after 1992. It was necessary to take immediate action.

A clear strategy was defined. It was based on the principle that the negotiation was essentially political and that the direct relations between the presidents played a fundamental role. Based on this, the strategy was implemented. The basic elements of this strategy can be summarized in a few lines: Liquidity had to be recovered in 1989, the blockade on trade relations with Argentina had to be lifted, and the payment of vouchers on the sale of natural gas—which were contemplated in the contract ending in 1992—had to be ensured. We had to reduce the effects of the servicing of our foreign debt with Argentina. We had to cut the flow of currency that was being used to service and pay this debt. We had to start negotiations to ensure the sale of our natural gas to Argentina after 1992.

The result of these negotiations are visible and are no longer subject to speculation. Argentina has normalized the payment of its vouchers and this is no longer an unusual fact to be published in the papers. Argentina has made these payments despite its economic difficulties and the Bolivian people must be deeply thankful for the promptness with which these payments were made. [applause]

The foreign debt has been reduced by $835 million. Argentina has agreed to continue purchasing Bolivian natural gas after the current contract is over. The operational mechanisms for this purpose and the negotiation criteria have been established. The binational company that the two countries decided to create for this is an operational part of the binational integration council, which has a new strategic vision of Latin American integration. Our natural gas is no longer a source of disagreement between Bolivia and Argentina and is now a mechanism that makes our integration more dynamic.

I must mention another important achievement for our national interests. It is the substantial advancement made in the negotiation for the construction of the Santa Cruz-Puerto Suarez gas pipeline and of a thermoelectric plant to supply energy to Brazil. Please listen carefully dear fellow countrymen. Until the talks that ended last week, this project consisted of little more than the good intentions contained in the Paz Estenssoro-Sarney Agreement. Beyond that, this project continued to be a potential expectation. Now, I can tell the country that the implementation of this agreement is ensured. [applause]

With a highly developed Latin American brotherly spirit, the Brazilian Government reaffirmed its high interest in the implementation of this project and decided to give us the necessary guarantees for the prompt payment of the electric-energy vouchers to the Bolivian Republic, and thus ensure the financing of the project by the multilateral banks. Without this crucial agreement between the two brotherly countries, we would not have had access to international credit, which is indispensable for the implementation of the project. Probably, however, the true historic significance of this project is the fact that Bolivia has begun to sell its natural gas in the Brazilian market and that the construction of the gas pipeline makes the sale of this product clearly advantageous.

Consequently, Bolivia's pipeline network in the southern and eastern regions have made our country the center of energy integration in this part of the continent.

The foreign debt problem was another concern due to its serious implications for Bolivia's development. As I complete a year in government, I can tell the nation that our foreign debt has dropped by $1.05 billion, which is three times greater than the amount by which it was reduced during the previous administration's four-year term. [applause]

In 1989, each Bolivian owed $571. Today, each Bolivian owes 20 percent less than the amount he owed last year. To obtain this result, the government concentrated its efforts on the bilateral debt, that is, the debt that the country contracted with friendly governments.

The negotiation with Argentina, which has been a pioneering step because of its features, was based on the reciprocal compensation of the debts mutually owed by each nation. This negotiation allowed for the reduction of our debts by $945.9 million. We did it as sovereign countries, without resorting to international organizations. We thus showed what the nations of the Americas can accomplish with political will and with fraternal understanding.

The debt owed to Brazil was reduced by $141.6 million. To achieve this result, Bolivia repurchased Brazilian debt notes on the secondary market, paying 25 percent of its value. The balance of the debt owed to Brazil will be paid through an unprecedented method that will benefit our country. Local currency deposits will be made in an account at the Bolivian Central Bank to finance, among other things, Bolivian exports to Brazil.

The negotiations with the Paris Club, where our country was given the so-called Toronto treatment, is another important area of work that shows that international financial organizations hold our management of the economy in high regard. Bolivia has become the first Latin American country to receive the privileged Toronto financial treatment which, as an additional benefit, has permitted the rescheduling of $282 million in debt obligations that were to have fallen due over the next two years. In addition, creditors have pardoned a smaller obligation. The new amortization deadlines will expire 25 years from now, with a 14-year grace period.

Finally, in connection with the debt owed to commercial banks, international support has been obtained through additional loans for repurchasing the balance of that debt. This has allowed us to reduce the Bolivian foreign debt from $270 to $208 million. We are now working to cancel this obligation this year. To this end we have set in motion mechanisms like the conversion of the debt into investment. This has shown Bolivia's capacity to suggest new solutions for a problem like the foreign debt, which has been so dramatic for Third World countries.

One of the first tasks of my administration was to regain control of the economy and reverse a trend that again seemed to be leading toward unbridled inflation. Only now that the moment of highest risk is over can we clearly state that in August 1989, the Bolivian economy was undergoing a process that could have destroyed its precarious balance.

This situation was reached due to the influence of known external and internal factors that postponed essential measures to maintain stability, especially during the first six months of 1989. The prices of fuels and of public service rates and the expansion of fiscal credit and the relaxing of monetary control can serve as example.

The loss of $148 million in deposits from the financial system was an indicator of that uncertainty. This money represented approximately 40 percent of the total between May and August of 1989. The country lost $278 million in net reserves during the first seven months of 1989 as a consequence of those factors.

When I assumed the leadership of the nation the level of net reserves was a negative $70 million. Now we can say that after a year of arduous work the economy has been reorganized and the negative tendencies that were emerging during the middle of last year have been modified. The country recovered its necessary calm and confidence.

Some figures will serve to demonstrate this assertion. Accumulated inflation during the first seven months of 1990 amounts to barely six percent. Without a doubt this is the lowest inflation rate in South America.

The banking system's deposits have increased by 87 percent. They have increased from $378 million to $708 million between August 1989 and August 1990. This also means that there is approximately a total of $900 million circulating in the banking system. Net international reserves have recovered to a positive level. These reserves increased by $159 million during this year of government.

In 1990 the fiscal deficit will be reduced to 3.5 percent of the GDP, which is quite lower than the eight percent in 1988 and five percent in 1989. If the rhythm of the first six months is maintained this figure could even be further reduced.

If these figures are compared with those of 1984, when 40 percent of the GDP was reached, then we can observe how the country's fiscal discipline has improved.

This means that the public sector increasingly collects more and increasingly spends less in relative terms. This is the most concrete evidence of the seriousness with which the economy is managed.

A year ago the exchange lag that affected the country's export potential was notorious. A progressive readjustment was necessary to correct that distortion. The export of nontraditional products increased by a substantive 40 percent as a consequence of this correction.

In effect, between January and August 1989 exports amounted to approximately more than $100 million and reached a total of $139 million in foreign exchange during the same period in 1990. A monetary policy has been maintained that is consistent with the level of international reserves and the inflationary goals we have set.

In faithful compliance with my solemn commitment to the country I have maintained a policy of real rates and prices that are adjusted to the mechanisms of the market. The public sector's rates were systematically regulated in order to maintain the competitiveness and to guarantee the treasury's income level.

The country's capacity to acquire debts has improved substantially as a consequence of the action that has been taken to reduce the bilateral and commercial foreign debt. We will give more details on this topic later.

If this data demonstrates without a doubt that we have obtained economic stability, other data will prove that there has been firm and prudent advance in the field of economic growth.

The main obstacle to stimulating an aggressive growth policy is the low level of domestic savings in Bolivia. We Bolivians are currently saving some seven percent of our income. We will have to save 17 percent of our income to reach a growth rate of four percent a year. This is the truth, which is shown in the figures and explains the need to adopt an adequate policy to obtain foreign credit.

As the Bolivian economic policy has become internationally respected, as a result of the seriousness with which it is handled, Bolivia has been successful in obtaining foreign credit. During my first year in office, the international financial community comprising the Paris Club promised, in October 1989, to approve loans and donations for an overall total of $750 million a year. These funds are meant to finance economic and social development programs and projects. The additional funds to finance the replacement crops programs, which are the immediate result of presidential efforts, must be added to the funds obtained from the Paris Club.

We must point out that, among other countries, Spain has promised $60-million donations for the next few years and $125 million in loans to be granted in the next 18 months. Italy has placed at the disposal of the Bolivian Government a $100-million concessional credit. The United States has increased to $150 million its financial assistance to Bolivia for the fiscal year that begins in September 1990 and ends in August 1991. If we add all these figures, the promised credit and donations total $900 million to $1 billion a year. It is now in the hands of the Bolivians—in our hands—to ensure that these funds are used in projects that may benefit the country. [passage omitted]

In modern days, integration is also achieved through electronic means and telecommunications. To this extent, we have dedicated the central ground station of the Domsat-Bolivia project, which ensured the first via-satellite television transmission in Bolivia. This project's first remote-station, which was recently dedicated in the town of Cobija, is one of 13 stations to be constructed this year in other parts of the country. There will be similar remote stations reaching southern settlements such as Bermejo in addition to those contemplated in the Sovereignty Plan. This system will allow us to send television signals nationwide. It will also render telephone services, data transmission services, telex services, and facsimile services to rural areas. With the digital telephone trunk-net we will expand the range, and improve the quality of national and international long distance calls. The expansion project for ENT, National Telecommunications Network, [as heard] foresees the installation of telecommunications infrastructure with the modern digital system in southwest Bolivia. Central stations will be installed in La Paz, Cochabamba, and Santa Cruz.

These stations will be linked to the Chilean and Brazilian centrals, thus connecting the Atlantic and Pacific coasts of the Latin American Continent. We will double the capacity of the international-transit central of La Paz. The Santa Cruz ground station, which is under construction, will be connected to the Tihuanco station, which will be expanded, thus granting us speedy communications with the other countries.

Along a 700-km line, we are installing a digital communication system that will cover the area between Santa Cruz and Puerto Suarez. These two cities will soon have telephone, telex, fax, television, and radio services, which will create further links among Bolivians. [passage omitted]

We have carried out a year's task, but there are still pending tasks. We are facing three challenges: We must build a new state, consolidate an economic model that will lead us to growth with social welfare for all citizens, and model the new Bolivian men and women, who are the beginning and the end of our national project.

Mr. President of the honorable Congress, dear fellow countrymen, I beg to conclude this message to the nation, which is a constitutional mandate, with the same words that the marshal of Ayacucho, Antonio Jose de Sucre, said when he submitted his report to the first national Constituent Assembly in 1825.

Our marshal of Ayacucho said: I demand your indulgence regarding the defects of my administration. This, gentlemen, is the summary of my actions since I crossed the Desaguadero River. It is written with the frankness of a soldier. My conduct is subject to your judgment. May God protect the Republic.

Thank you. [prolonged applause]

Some 4,500 Policemen To Safeguard Quayle's Visit

PY0808033290 La Paz Television Boliviana Network in Spanish 0030 GMT 8 Aug 90

[Text] Bolivian Police have assigned 4,000 plainclothes and uniformed policemen to security duty for U.S. Vice President Dan Quayle's visit to La Paz.

During an interview with the media, Bolivian Chief of Police General Felipe Carvajal gave more details of the measures to safeguard the U.S. vice president's visit to our country.

[Begin recording, in progress] [Carvajal] ...the president. We have also organized quite a large operation for Santa Cruz which will be reinforced with policemen from Cochabamba.

[Reporter] How many men will be in charge of this operation?

[Carvajal] There will be approximately 4,500 plainclothes and uniformed policemen here in La Paz.

[Reporter] Are these measures taken in view of what happened during U.S. Secretary of State George Shultz's visit ?

[Carvajal] Well, one of the reasons for taking more precautions is that we must prevent possible (?actions) we believe could be carried out by the Zarate-Willka or other irregular groups. But these measures are taken basically due to the rank of our visitor and the danger represented by his presence in the country on 8 August, which is believed to be the Zarate-Willka Group's anniversary. [end recording]

Finance Minister Denies Economic Recession

PY0708180190 La Paz La Red Panamericana in Spanish 1130 GMT 7 Aug 90

[Text] Finance Minister David Blanco has stated that the GDP has shown positive growth since 1987. He added that this proves that Bolivia is not experiencing a recession in the strict sense of the word.

The finance minister said people should not confuse a recession with economic growth levels which, in Bolivia's case, have not been high.

Blanco evaluated the behavior of the economy over the past year, saying that during the 1989-1990 fiscal period there was a deterioration in trade levels. He added that the economy will grow by an estimated 4 percent over the next three years.

Blanco added that the government must face serious challenges in the next few months in order to overcome the economic crisis.

[Begin Blanco recording] We have to meet the challenges. We will mobilize resources and invest them in the most needy sectors, that is, the small and medium-size production sectors.

I believe that the bases have been established and that we will implement more measures to improve production. [end recording]

Brazil

Collor Discusses Economy in Radio Interview

PY0808011890 Brasilia Domestic Service in Portuguese 2200 GMT 7 Aug 90

["Exclusive" interview with President Fernando Collor de Mello by (Tairo Argel), Radiobras radio and press manager; place and date not given—recorded]

[Excerpts] [(Argel)] Mr. President, about 15 days ago, the Sao Paulo Economic Research Institute Foundation [Fundacao Instituto de Pesquisas Economicas de Sao Paulo] reported that the inflation rate had dropped more than one percent. Does that mean that in practice inflation is stabilizing and dropping?

[Collor] Without doubt. It means the government is winning the battle against inflation, with the decided aid of all of Brazilian society.

One of our problems in this combat against inflation was precisely the inflationary culture which made Brazilian citizens think inflation would always climb and never drop, and that we would never attain a stabilized economy ready for growth.

Therefore society—which is abandoning the inflationary culture—is adopting a responsible position through its direct participation in this successful battle against inflation. This is a reason for satisfaction for all Brazilians. We are setting an example, not only within our borders, but before the whole world, showing that it is possible to carry out a serious, correct—and above everything—obstinate work in this successful struggle against the inflationary process.

[(Argel)] Mr. President, inflation is decreasing at a moment when most of the prices have been freed. Does this mean that stabilization has come to stay, and that from now on the inflation rate will be kept low?

[Collor] All the programs for stabilizing the economy and combating inflation were based on the freezing of prices and the economy. Thus, prices dropped—in the past, in other unsuccessful economic plans—but in an artificial manner. Today we are successfully combating inflation at the same time that we are freeing prices. That is, prices are dropping because they must drop.

I wanted to take this opportunity and ask each one of you who are listening right now: My friends, do not buy more than is necessary. Whenever you go to the supermarket, whenever you go to a store, to a bar, or wherever, try to buy only what is necessary. Besides that you must bargain, bargain, bargain, because when there are few clients, prices tend to drop. What makes prices go up is a lot of people buying a lot of things at the same time, and naturally, prices increase. But if you continue to behave as you have until now, seeking bargains and buying only what is necessary, inflation will without a doubt continue to drop, drop, drop, and then the value of the workers' salary will increase, and the economy will be able to yield sufficient positive results so as to balance income differences, enabling all of us to benefit from the sustained growth of the country.

[(Argel)] Mr. President, at the beginning of the economic plan unemployment was observed in some regions of the country. Now the FIESP [Sao Paulo State Federation of Industries] has reported an unemployment index which demonstrates that the employment levels are improving in Sao Paulo. Is that also a good signal? Is that a signal showing that the economy is totally recovering?

[Collor] Without doubt. All the signals are extremely positive. I now express my gratitude to several economists who, a month ago—and naturally due to an academic deficiency—were predicting chaos. They said that once again hyperinflation would come, that there would be a brutal recession, that there would be unemployment rates never before seen in the country. Perhaps due to their academic deficiencies, they did not know how to correctly foresee this result. Facts demonstrated that their forecasts of catastrophes and chaos did not occur.

We are living through exactly the opposite of what they predicted a few weeks ago. That is, inflation is dropping, employment rates are rising, and the whole society has very favorable expectations regarding the future of our country. In all, these indicators demonstrate that the path we are following is the correct one, that the program we are implementing is the correct one. Mainly because this economic program was approved twice: In the 15 November and 17 December elections. The program was put forward for discussion, it was reported to the public, and the public has twice supported the program. I, as president of the Republic and representative of the majority of Brazilian people, must implement this program.

Therefore, the index like the one you just mentioned, and which was revealed by this Sao Paulo organization, stating that the employment rate is rising, is a fact. It is without doubt an extremely positive signal, which demonstrates the appropriateness of the government's economic policy and the appropriateness of Brazilian society continuing to believe in the government, in the country, and above everything, in God, who has helped us so much to continue with our efforts. [passage omitted]

[(Argel)] Mr. President, to conclude, in order not to harm your economic program, and since an IMF mission is in Brazil, how do you intend to face the foreign debt negotiation from now on?

[Collor] The economic program is knowingly marked by success. Once again, I am not weary of thanking all of Brazilian society. Each one of you who is listening to us, I want to thank you for your participation, for your confidence in Brazil, for your trust in the first democratically elected government in 20 years. I want to thank each of you for this demonstration of solidarity, which is essential to allow us to conclude this process with a final victory over inflation and with the resumption of our growth.

Now, regarding your question about the foreign debt, it is one chapter of our economic program. We had the internal debt problem, the exports problem, the opening of our ports to friendly countries, the new industrial policy, the new foreign trade policy, the privatization policy, and the administrative reform. The foreign debt is another chapter and it is being dealt with by experts from the Ministry of Economy, Finance, and Planning.

The figures are very positive, the economy is giving perfect signs of recovery, we have surpluses in our accountings, our budget is balanced. The public deficit is a thing of the past. We have a 1.22 percent surplus for 1990 [sentence as heard]. These figures will make the IMF—or any other institution, or any other international financial organization—recognize the enormous effort we are making to find Brazilian solutions to Brazilian problems.

We want and we are sure that those IMF experts which are evaluating our figures will make a report in keeping with what they observe here. If they make a report based strictly on what they observe here, on the situation of our accountings, I have no doubt that soon we will solve the foreign debt problem and normalize our relations with our international creditors.

[(Argel)] Thank you very much for your interview with Voice of Brazil.

[Collor] Thank you, and good evening to all of you.

Kuwaiti Ambassador Denounces Iraqi Invasion

PY0808025290 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Aug 90 p 3

[Text] Brasilia, 7 Aug (ABR)—Kuwaiti Ambassador in Brasilia Faisal Al-Ghais [name as received], today denounced the invading Iraqi troops that are committing abuses in his country. He said that after the Iraqi troops looted the Central Bank and private banks, they robbed food deposits to force the Kuwaiti population to cooperate with the provisional government imposed by Baghdad.

Faisal said he obtained this information through members of the resistance to the invading troops. He said that private cars are being stolen and taken to Baghdad, private residences are being occupied by force to shelter members of what the Iraqi Government calls the People's Army.

After thanking the Brazilian Government for the position it is adopting regarding the conflict, the Kuwaiti ambassador also said that so far 40,000 Kuwaitis have been deported. He called for all the countries of the world to continue supporting the Kuwaiti Government ousted by force. Our country is small, peaceful and conciliatory, and our work aims at promoting the well being of Kuwait and all the peoples of the world, the ambassador said.

Daily Views Collor's New Foreign Policy

PY0708223290 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Aug 90 p 3

[From the "Notes and Information" page: The New Foreign Policy—III]

[Text] The image of a world that is divided into good and bad people—which we used in our previous commentary—can be more clearly seen in the part of the lecture that Foreign Minister Francisco Rezek devoted to the challenges of the new international economic and commercial order. No one will deny—much less we—that world trade is running the serious risk of being caught in the net of protectionism that the developed countries, each one in its own way and for specific products, have built to guarantee privileges, markets, or simply jobs. From that viewpoint, to expect developing countries to strictly follow the Bretton Woods ideals—while the United States, the EEC and Japan erect their protectionist barriers—is equivalent to advocating the restoration of a world of hegemonies. This does not mean, however, that rich countries are bad guys and developing countries are good guys, or the victims of a conspiracy of the rich.

Minister Rezek described the historical and logical contradiction between the "maturity of the so-called megablocs" of the economy and the "lost decade" of the 1980's. Rezek said that the regression in the economic development of Latin America has been caused "for the most part by the distortion in the servicing of the foreign debt." While this thesis is not far from the truth, the explanation of the reasons for such a situation has an ideological connotation and is marked by the hostile approach to which we referred in our previous commentary. In this case, the bad are not the governments of First World countries, but the banks. "Glutted with petrodollars and fearing the possibility of a recession, the banks found that developing countries were the solution for their financial problems. They offered loans on very favorable terms, with interest rates ranging from two to three percent." It should be noted that, in this process, the developing countries were only passive agents. The most serious thing, however, is not the conspiracy of the banks, which have unscrupulously obtained a few billion dollars from developing countries. The most serious thing is that after this, the debt crisis worsened because of the "slow but firm economic recovery of industrial societies," which demanded capital, and because of the "debtor countries' inability to meet their foreign obligations" because of a new-money shortage.

The foreign minister immediately blasted banks and governments: "The creditor countries not only reduced their exports of funds ... but they also disproportionately increased their interest rates, which even surpassed the 20-percent per annum mark in 1982. The illustrious specialist in Treaties Law [Direito dos Tratados] overlooked the agreements by which the borrowers of loans freely agreed to pay the fluctuating rates of a market that had been half- crazy since 1972 with the end of dollar to gold parity. The foreign minister, who dislikes the attitude of President Bush in the northern hemisphere often instructing Latin America, missed the opportunity to lash out at the North American Government for its public deficit, which is the reason for the "interest rate shock." To complete [his review of] the international scene, the foreign minister recaptured the thesis that the creditor countries, to the extent that they stopped sending fresh money (putting good money on bad money, as a Brazilian back woodsman would say), are responsible for the fact that the Latin American countries have become liquid exporters of capital by making interest payments and payments on the principal. Although it is successful in the business world, this thesis would make every bank customer a liquid supplier of capital to the banker as soon as the customer discounted a certified, negotiable invoice [duplicata] since he is paying the interest rates in advance.

It must be noted that Foreign Minister Francisco Rezek is not an overly optimistic person. The idea His Excellency gave about the future of international relations is not a very enthusiastic one. At the ESG [War College], his excellency said: "An analysis of the main, current trends reveals that the intrinsic dynamism of the changes currently under way in the world will not necessarily and automatically promote progress and prosperity in the countries and will not promote, merely by historical inertia, a period of understanding and peace." The Brazilian foreign minister fears, and with good reason (it must be admitted), that the Cold War's political and ideological confrontation will be replaced by an economic and commercial competition between the megablocks.

The foreign minister outlines the parameters of the New Brazil's foreign policy within a framework that includes distrust of U.S. positions, misgivings about Gorbachev's intentions in the implementation of perestroyka, an association between nuclear and missile technology and technology in general, a conspiracy by the rich countries against the developing countries, and in which the international banks and the governments of Brazil's creditor countries are being considered as the only ones responsible—by deliberate and intent actions—for the debt crisis and for the problems the country is thus confronting. During the authoritarian governments, especially beginning with Costa e Silva and during Sarney's tenure, Brazilian diplomacy was proud of opposing abstract law to real power, and of seeking to organize a new world order merely based on law as opposed to that order defined by the policy of power. Now, the government of Collor de Mello seeks to gain access to the select group of those who decide based on a new "ethics." In our next and last commentary on Brazilian foreign policy we will examine what Itamaraty will do.

New Foreign Policy—Last Part

PY0808025390 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Aug 90 p 3

[From the "Notes and Information Page:" The New Foreign Policy—Last Part]

[Text] This report marks the end of our analysis of the lecture that Foreign Minister Francisco Rezek delivered at the war school on 23 July. We do not claim to have mentioned all the critical remarks that can be made on the foreign policy of the New Brazil, because such a task would also call for careful analysis of a lecture that General Marcos Castrioto de Azambuja, foreign policy secretary, delivered at the Army graduate school in May 1990. Whenever necessary, however, we will refer the reader to the lecture by Azambuja.

Itamaraty has designed a foreign policy taking into account the crisis of the multilateral system (Azambuja explicitly said that "the crisis of multilateralism has therefore weakened the countries of the South by undermining what might have been their only possibility to undertake efficient diplomatic action"). The Itamaraty policy is based on the rejection of an "international division of work in which developing countries, ignored by developed countries, specialize in the exportation of traditional manufactured products, while developed countries specialize in advanced technology." This is the position of the Foreign Minister, which was outlined in the lecture at the war school. Strictly speaking, the foundation of this policy is false. In fact, it is noticeable that through technological progress in the traditional sectors—like the textile sector—developed countries have practically eliminated the international division of work by reducing the comparative advantages that developing countries enjoyed as exporters of some products. In other words, the technological progress of the North, as Azambuja himself admitted, has effects that "are potentially harmful for countries that do not develop their own technology."

The opinion of the secretary general is correct. Itamaraty intends to remove Brazil from the tight circle of the new international division of work that the North has imposed on the South. The problem in the design of the Brazilian foreign policy is that with this attitude Itamaraty has mistaken Brazilian access to the technology that may allow us to overcome the above harmful effects for unrestricted access to the technology that can also be used for military purposes. Both the minister and the secretary general have almost openly associated technology with, for example, the mastery of the nuclear cycle, because they have insisted that the North defends the "non-proliferation idea." In agreement with this, Azambuja has mistakenly said that "Brazil, Argentina, India, and some other developing countries with more scientific and technological development have resisted the attacks" of the "two superpowers and their allies" who have tried to avoid the dissemination of nuclear, space, chemical, and computer technology! Brazil and Argentina are known to be trying to master nuclear technology, although their Constitutions state that it is for peaceful purposes. For its part, India entered the nuclear club through the back door. Consequently, the fact that the three countries are engaged in a process of resistance to this pressure is in itself significant and can awaken concern in the "selected group of countries that make the decision."

Despite the fact that we are aware of the reasons why the Brazilian Armed Forces Staff has opposed Brazil's signing of the nonproliferation treaty, we have already outlined in this column the reasons why Brazil should sign it. We feel that Brazil's signing of the treaty is much more important now. In fact, for the new Brazilian foreign policy, the demand for autonomy in the nuclear sector, in the space technology area (missiles), and in the chemical technology area (let us recall the use of chemical warfare agents by Iraq in its war against Iran) are the banners of its opposition to the two "superpowers and their allies," that is, the first and second worlds together!

That is the target of the new Brazilian foreign policy: To develop Brazil's own nuclear, space, computer, and chemical technology. However, nothing has been said on

how this objective will be coordinated with the proclaimed "opening of the ports" and with the elimination of the restrictions in the computer market and to some extent in the pharmaceutical sector. The matter will become part of the confrontation with the United Sates, a country with which Brazil has points of agreement (democratic systems, liberalization of the economic model, etc.). The two countries, however, have "natural economic differences, which are caused by their different development levels, and political differences, which are caused by the U.S. power on the one hand and by Brazil's being a Latin American nation on the other," as Azambuja put it.

As the spearhead for Brazil's insertion into the world, Itamaraty places emphasis on the country's technological upgrading, not just for industrial but for military purposes as well—the superpowers and their allies see it this way. Although open to criticism in some aspects, this reasonable desire for autonomy does not square either with the desire to have a new ethics and international law govern international relations or with the intention, expressed by the foreign minister, of participating in the major decisions regarding disarmament. Likewise, this desire for autonomy contradicts the condemnation of power politics, because the Brazilian Government wants to possess the instruments of military power to be in the position to exert influence on "the select decision making group."

Everything else in the Brazilian foreign policy is subordinated to that viewpoint, which is indeed a premise from which Itamaraty does not intend to depart. Even what Minister Rezek calls strengthening of the country's bargaining power depends on access to new technologies and on the economic development that will free Brazil from the straitjacket in which the technological progress of the North placed the southern countries--in which nationalism and the myth of the state producer have reduced the population's educational opportunities to practically nothing, thereby frustrating the possibility of technological development, broadly speaking.

Everything else Itamaraty might say about the new foreign policy will be subordinated to the need of breaking the technological shackles in the atomic, missile, computer, and chemistry fields. Likewise, it will be conditioned by the false idea—which seems to be a certainty among the diplomats who came to power with President Fernando Collor de Mello—that the North is not interested in the economic development of the South.

In other words, the traditional third-worldism (the position of "homologous" countries as Minister Rezek now calls the Third World countries), which used to express rightful grievances, is today a negative attitude reflecting a "hostile intention" towards the North, an attitude disguised in beautiful words such as "modernity" and "integration into the First World." In this regard, crystal clear are the words of Ambassador Marcos de Azambuja when he addressed Brazil's future generals: "It must be recognized that the objective of economic development we pursue is not immediately and unconditionally accepted by the industrialized world."

When a foreign policy is built upon that certainty and upon the premises discussed above, it can be seen that with the accession of Mr. Fernando Collor de Mello to the Presidency of the Republic, very little has changed in the neo-third-worldish Itamaraty—and if something has changed it has been in the direction of hardening positions.

Chile

Aylwin Chairs National Security Council Meeting

PY0808001990 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 7 Aug 90

[Text] President Aylwin today chaired the National Security Council meeting where the bill on the entrance and exit of troops in Chilean territory was discussed. The Armed Forces commanders in chief have deemed the meeting good and professional.

Before 1100, the scheduled time to begin the National Security Council meeting, members of the council began to arrive at La Moneda Palace. People on the street and members of the media waited expectantly for the end of the meeting that was called by President Aylwin. Meetings of this council are held only if attended by an absolute majority of its members who have the right to vote, as occurred today. The three Armed forces commanders in chief, the Carabineros director general, the Senate chairman, the Supreme Court president, and the national comptroller attended today's meeting. The members of the council who have the right to express their opinion but who cannot vote also attended the meeting. They are the defense and foreign affairs ministers, and the interior minister, who was represented by acting Interior Minister Belisario Velasco.

The first person to leave at the end of the 85-minute meeting was Army Commander in Chief General Augusto Pinochet who, unlike a previous occasion, left the Government Palace by the main entrance.

[Begin recording] [Reporter] Can you give us your personal opinion about the meeting?

[Pinochet] A communique will be released by the council secretary right away.

[Reporter] Which of the discussed topics was most interesting?

[Pinochet] You will learn about it when you read the communique.

[Reporter] And in your personal opinion?

[Pinochet] Very good.

[Air Force Commander in Chief Matthei] The meeting was very professional, very pleasant.

[Navy Commander in Chief Busch] Please excuse me, but I cannot make any unauthorized comment.

[Reporter] How important was today's meeting?

[Carabineros Director General Stange] As important as any meeting to which the president of the Republic invites the members of the Council. [end recording]

Council Secretary General Fernando Rojas, the national defense chief of staff, then read the official communique:

[Begin General Rojas recording] During today's session, and in compliance with Article 96, Clause C of the Constitution, the National Security Council reported on the draft bill which establishes norms for the arrival of foreign troops in the national territory and for the departure of national troops from Chile.

The National Security Council also discussed a project to modify the regulations of this council in order to adjust it to the constitutional regulations. These discussions were based on the constitutional amendments. [end recording]

UDI Criticizes U.S. Measures on Fruit Imports

PY0708211990 Santiago Radio Chilena Network in Spanish 1700 GMT 7 Aug 90

[Excerpt] The Independent Democratic Union, UDI, has described as seriously contradictory the U.S. position of promoting a development plan for Latin America and, at the same time, implementing protectionist policies on fruit exports.

UDI President Julio Dittborn and Deputy Juan Antonio Coloma have said that both the U.S. Congress and the executive branch of that country are responsible for this.

[Begin Dittborn recording] By briefly reviewing these two decisions, which were made almost simultaneously, we can see that they are seriously contradictory.

It is not possible that they are able to lift trade barriers to liberalize economic trade among nations, as we understand from the Bush proposal, while on the other hand they impose protectionist measures against the free trade among the same nations, as we understand from the extension of the (?commercial margins). [end recording] [passage omitted]

Mining Minister Discusses Oil Prices

PY0808012390 Santiago Domestic Service in Spanish 2300 GMT 7 Aug 90

[Text] Mining Minister Juan Hamilton has said that the Persian Gulf crisis will affect the prices of oil by-products in Chile. He said that the recent 30-percent price increase of crude oil will represent an additional cost of $250 million [time span not specified] for Chile.

Chile currently imports $800 million worth of oil [time span not specified]. Hamilton said that only 15 percent of the demand for oil can be covered by national production. He stated that the price paid by ENAP [National Petroleum Enterprise] for imported crude is normally transferred to distributors and consumers. If the 30-percent price increase persists, it will result in a similar increase for distributors and consumers.

Hamilton said that as long as the Persian Gulf conflict persists the oil supply to Chile will not be a problem because Chile buys crude from Argentina and from the Caribbean.

Economy Ministry on Curbing Inflationary Revival

PY0708190390 Santiago Domestic Service in Spanish 1100 GMT 7 Aug 90

[Text] The Economy Ministry has released a bulletin that reviews the new social policy of the government. The bulletin states that the July IPC [Consumer Price Index] demonstrates that the inflationary revival that has been dragging since mid-1989 is finally being controlled.

The bulletin notes that the seasonal variables, as well as the prospects of the productive agents, have significantly improved recently following the success of the adjustment policy implemented by the Central Bank.

The bulletin adds that even the most conservative predictions are currently speaking of an annual inflation rate of not more than 25 percent, some 30 percent below the March 1989 estimate for this year.

The Economy Ministry emphasizes that this drop is significant if one takes into account the impact of the two percent hike in the IVA [Value Added Tax] in July, with its negative effect on the system of relative prices.

In conclusion, the bulletin states that most social expenditures are financed by channeling tax revenues. Therefore, there is no reason to believe there will be inflationary pressures over the next few months as a result of social expenditures.

Television Officials Interrogated, Released

PY0708184990 Santiago Domestic Service in Spanish 1100 GMT 7 Aug 90

[Excerpts] Bernardo de la Maza, press director for Television Nacional de Chile, and Luis Acevedo, coordinator for that station, were unconditionally released last night. They had been taken before the head of the Sixth Military Prosecutor's Office, located at 2122 Pedro Montt Avenue. [passage omitted]

After interrogating De la Maza and Acevedo for more than 90 minutes the head of the Sixth Military Prosecutor's Office of Santiago unconditionally released them both.

De la Maza and Acevedo left the military court at 2150 last night in the company of Jorge Navarrete, the director general of Television Nacional de Chile, and Senator Mario Papi.

Teitelboim Comments on Changes in Communist Party

PY0708213590 Santiago Radio Chilena Network in Spanish 1700 GMT 7 Aug 90

[Text] Volodia Teitelboim, secretary general of the Communist Party of Chile [PCCh], said today that the withdrawal of leaders and militants from the PCCh will not affect the party's renewal process or its historical identification.

This is how Teitelboim referred to the Central Committee members who have resigned, and to the party militants who have created the Manifesto Group and who today officially joined the Socialist Party.

Teitelboim said that the party will not disappear just because of the separation of a small group. He added that internal democracy and open debate are now being practiced in the party more than ever.

[Begin Teitelboim recording] When comrades make that type of criticism it means that they have already changed. They are no longer communists but people who are looking in another direction, and this has been confirmed by the fact that they have joined another Chilean political party. [end recording]

Teitelboim said that his party cannot be affected by a minority who thinks differently. He added that the party makes decisions either unanimously or by a majority, and that the party leaders must prove their ability every day to continue in their positions. He also referred to his recent trip to Cuba and the Soviet Union with Gladys Marin and Carlos Zuniga. He reiterated that there is no reason for Chile not to resume diplomatic relations with the Cuban Government headed by Fidel Castro.

Colombia

Quayle, Gaviria Meet Under Heavy Security

PA0708170190 Bogota Radio Cadena Nacional in Spanish 1638 GMT 7 Aug 90

[Text] After attending the Andean Group summit, Colombian President-elect Cesar Gaviria returned to his house and then left again. He is currently meeting with U.S. Vice President Dan Quayle.

There are heavy security measures here. There are some helicopters overflying the area where President-elect Gaviria and U.S. Vice President Quayle are meeting.

President Gaviria Gives Inaugural Speech

PA0808010490 Bogota Inravision Television Cadena 1 in Spanish 2109 GMT 7 Aug 90

[Inaugural speech by President Cesar Gaviria Trujillo at Nunez Courtyard in Bogota—live]

[Text] Dr. Aurelio Iragorri Hormaza, president of the Congress; gentlemen vice president of the congress and members of the board of directors; Your Excellency Rodrigo Borja Ceballos, president of Ecuador; Your Excellency Carlos Menem, president of Argentina; [applause] Your Excellency Carlos Andres Perez, president of Venezuela; [applause] Your Excellency Ertha Pascal Trouillot, president of Haiti; [applause] Your Excellency George Price, prime minister of Belize; [applause] most reverend cardinals Mario Rebollo Bravo and Alfonso Lopez Trujillo; [applause] former presidents of the Republic Dr. Misael Pastrana Borrero, Alfonso Lopez Michelsen, Julio Cesar Turbay Ayala, Belisario Betancur Cuartas, Victor Mosquera Chaux, and very respected wives; Your Excellency Monsignor Gabriel Montalvo, bishop of (Shelene), apostolic nuncio on special mission; your excellencies vice presidents German Serrano Pinto of Costa Rica, Giovanni Espadolini of Italy, Dan Quayle of the United States, [applause] Jose Francisco Merino Lopez of El Salvador, Itamar Franco of Brazil, [applause] Carlos Morales Troncoso of the Dominician Republic, Guillermo Alfredo Ford Boyd of Panama, Enrique Krauss of Chile, and Jose Ramon Fernandez of Cuba; Your Excellency Joao Baena Soares, secretary general of the OAS; your excellencies heads of special missions and international organizations; president of the Supreme Court of Justice; president of the Council of State; president of the Disciplinary Court; gentlemen generals and admirals of the military forces and the national police; attorney general; comptroller general; mayor of Bogota; governor of Cundinamarca; honorable senators and representatives; special guests; Dr. and Mrs. Mario Galan; Gloria Pachon de Galan and children; [applause] ladies and gentlemen:

Our 500-year-old traditions are a remnant of the Spanish inheritance planted by them in these Indies where we received them with open arms and where they built, as a perfect example of our civilization, a legendary hospitality that survives all tests. Amid poverty and violence, beyond conflict and uprisings, shines our hospitality as proof of our irremediable kindness. We have no way of paying the American leaders and the delegations that accompany us today for their generous visit, but how much prouder we would feel if we could honor this tradition under different circumstances.

Fortunately, we are not alone. We have you who are faithful to our belief that [Gabriel] Garcia Marquez' utopia, when love becomes true and happiness possible and where the stock condemned to 100 years of solitude will at last and for always have a second chance on this earth, is close at hand. I welcome you and invite you to remember together with us, the Colombians, the memory of Luis Carlos Galan, [applause] the friend, the honest man, the crucial spirit who gave politics back its grandeur, and his ability to change a situation. In honor of the leader, surprised by death when he was smiling and greeting his people who were calling to him full of illusions, I wish to repeat his words when he recalled the people involved in the communeros revolution: Colombians, not a step back, always forward. [applause]

Fellow countrymen, our nation has ended the most difficult and eventful electoral campaign in its history.

Violence threatened to destroy tutelary values and principles, our democracy, and our freedom. We lost thousands of good Colombians among whom we had our best and youngest leaders Luis Carlos Galan, Bernardo Jaramillo, and Carlo Pizarro. Violence knocked on the doors of each and every Colombian and tested the nation. What the violent ones did not know was that the country grows stronger in the face of adversity; that faced with death and sorrow, life and hope grow. Despite the bombs, the Colombian people voted and did so for a democratic and peaceful country.

In the past few months, the Colombian people have proven that more than the threat of terror, or terror itself, is needed to frighten us and make us surrender. But aside from resisting and telling them that they will not pass, we must be capable of eradicating evil and violence by the roots in one fell swoop.

Today I was sworn in as the president of all Colombians. I will know how to interpret the wants and aspirations of each of my compatriots.

My government has the historic responsibility to bring peace to Colombia; to modernize the country's institutions so that they can fulfill the citizens' new needs; and to strengthen our economy so that our nation becomes fairer, more powerful, and prosperous.

I am not sure whether the protocol of great ceremonies includes a few words about one's private life, but I miss my father. He was a free thinker, which to us means a good man, [applause] a man filled with faith and altruism. If he were here, he would be happy, and his ability to feel proud would be fulfilled through his daily work, his integrity, my mother's love, his friends' respect, and his loyalty to a way of life that we all appreciated because it was clean and honorable.

I grew up in the provinces without any wealth or social standing that was any different from the ancestral Antioquian virtues with which my parents tempered my spirit and taught me to dream of the great country that Colombia could become. [applause] To dream, however, is not enough.

I have assumed all the responsibilities that public life imposes on me with honesty and courage along with Ana Milena [President Gaviria's wife] to whom I owe 12 years of loyal, radiant, and moving dedication; [applause] and with Simon and Maria Paz [President Gaviria's children], who are actors of a slightly noisier solidarity. This is a rough portrait of the president that the Colombian people elected to lead Colombia on the verge of the next century. I am a representative of the generational relay. I am the spokesman of the new leadership who has firm principles and faith in the enormous possibilities of this country, which is moving toward the future with optimism.

Colombians no longer want to rebuild, look back with nostalgia, or think that the past was always better. Colombians want to build a future for our nation.

Compatriots, the construction of that future for our children and for those who will come is our mandate. Our challenge is to confront and overcome the worst times of violence we have been forced to experience. We will face that challenge because it is the duty of a government elected for renewal and reform. We will not impose restrictions on our democracy. We will walk along the paths of modernization and reform.

The armed struggle has fallen into evident obsolescence. The great political transformations in the socialist world and the Colombian people's yearning for peace have eliminated the justification for the guerrilla movement to exist and have turned many of those who hold on to that justification into mere criminals.

Throughout its history, Colombia has once again resorted to political solutions in order to face rebellion and armed struggle.

These solutions will be preserved for the guerrilla groups who adhere to the majority will of the nation: to put an end to violence. Dialogue is a concession that civil society grants to those who engage in violence. It is useful when rebels agree that the dialogue process does not call for them to be political protagonists. It is useful when they agree to carry out their demobilizations and disarmaments and when they agree to integrate into society in order to pursue their political objectives through peaceful means.

The support obtained by the M-19 [19 April Movement] candidate clearly demonstrates the tremendous possibilities of the peace process begun during the final part of the Turbay Ayala administration with the peace commission headed by former President Lleras Restrepo. This process, which had more generous and bold gestures during the Betancourt administration, was redrafted by the Barco administration during which advisable adjustments were made, based on lessons learned from the past. The mechanisms were institutionalized to carry out the policy, and the national rehabilitation plan was revamped to carry out the state action in the most alienated regions. We will maintain our faith in political solutions.

Other guerrilla groups, such as the EPL [Popular Liberation Army], the PRT [Revolutionary Workers Party] and the Quintin Lame have agreed to follow a similar path. They have recognized, for the moment, that demobilization and ending the armed struggle are the objectives that must be achieved. The National Constituent Assembly, which will be convoked by the people on 25 November, offers an opportunity to the guerrilla groups that agree to abandon the violent methods. There the voices of the guerrillas who have silenced their weapons and who understand that they must defend their ideas with the strength of their arguments and the capability of their conviction will be heard.

This is an expectation of a real, vigorous, and participative democracy, which must make the rebels abandon

their weapons. Notwithstanding, the government dialogue cannot be limited to the armed groups. The principal objective of our policy is to talk to the victims of violence, the downtrodden, and forgotten sectors, the challenging sectors of Colombian life—in short, all those law-abiding citizens who demand a place under the Colombian sun. They will be the ones for whom the renewal and reforms are made.

The guerrilla actions are far from being the only or primary cause of bloodshed. Narcoterrorism today is the principal threat against our democracy. We will confront them without concessions. In no other way can we eliminate from Colombian life the assassinations of prominent leaders, the deaths of hundreds by car bombs, the killing of children on Mothers' Day, the attacks on troops and humble persons, the deaths of policemen in the destroyed floors of the DAS [Administrative Department of Security] building, or the gunning down of policemen in the streets of Medellin. Because this struggle cannot be delegated, the president of the republic will lead the actions of the military actions, the National Police, and the DAS [applause] to subjugate the terrorists and to end the acts of barbarity.

The task of strengthening our intelligence services and creating levels of true leadership in this area is unpostponable and will be done under my personal direction. If narcoterrorism is our problem, narcotrafficking is an international phenomenon that can only be solved through joint action by all affected countries, and there will be no lasting success in this area if there is no substantial reduction of the demand in the consuming countries.

It does not suffice to repeat it time and again, because our destiny requires the solidarity of all countries.

In the history of mankind, no nation has paid as high a price as Colombia for fighting a crime of an international nature and for confronting the most powerful organizations in memory. In the framework of this struggle—which must be multilateral—and to the degree that we control the terrorist actions, we will handle drug trafficking in the manner required by a crime of such seriousness; these crimes must be handled firmly by the police and the judiciary.

Internally, we will create legislation of a permanent nature that will not depend on states of siege, which are temporary, and leave room for abuse. Its rules will conform to our juridical tradition. Extradition cannot be the sole and leading tool to fight drug trafficking. This is a tool to be used at the discretion of the executive branch. In order for this discretionary power to be truly used, it is necessary for terror to disappear first and for us to have a strengthened judicial system available.

We will fight the drug trafficking with new, modern, and more effective tools, such as a special permanent jurisdiction to be responsible for the criminal organizations; a special procedure to incorporate elements of an economic nature, particularly the illegal acquisition of wealth, reverting the burden of proof; secure prisons; special protection for the judges, including the possibility of building adequately protected housing for them as well as anything that can provide more efficiency and better results from this struggle to guarantee that we will not continue leaving our judges defenseless and at the mercy of those criminal organizations.

The rhetorics about international solidarity with our country must open the way to effective action. [applause] We expect more from the industrialized countries, not only with regard to fighting consumption but to establishing more strict controls on the money laundering, the arms trafficking, the distribution networks, the sale of chemical components, and the production of coca leaves. It is imperative to devise and enforce a truly multilateral strategy to make this struggle viable and to better distribute the costs, which have thus far fallen disproportionately on our nation.

In cooperation with other countries and so as to supplement the already mentioned mechanisms, we will explore the possibility of adopting an international criminal legislation to deal with, among other things, drug trafficking and related crimes, which extend beyond the borders of states. The creation of an international criminal court based on an international criminal code would open the way to a multilateral handling of crimes against mankind. This has stopped being a simple academic exercise and is now the subject of discussions at the United Nations, the Council of Europe, and the Organization of American States.

The problems that have affected the city of Medellin in the last few months are worthy of special mention. Those problems already surpass the domain of drug trafficking and narcoterrorism and have taken on the proportions of a social conflict with very complex characteristics. On the basis of actions that are already under way, such as the actions of Mayor Omar Flores and the various civic organizations of the capital of Antioquia Department, the government plans to draw up and to set into motion as soon as possible a special plan to rehabilitate Medellin.

So as to coordinate this I will create in the next few days a presidential advisory office and to this post I will appoint the most qualified person and someone with a great working ability.

As part of the overall strategy to fight violence, we shall confront paramilitary groups with the greatest severity. I promise that the Colombian Government will do the utmost to dismantle these groups that are a result of drug trafficking and some right-wing sectors and are chiefly responsible for the massacres, assassinations of public figures, and all sorts of atrocious crimes. Some organizations, calling themselves self-defense groups, have denied any connection with these horrible crimes—they must realize that their behavior has been outside the law. The efforts the government will make to uphold the law will fill the voids previously taken up by all of these

organizations that took the law into their own hands for all these years. The greatest harm to our democracy has been done by those who argued they were defending it from the guerrillas' crimes and excesses. That is why the only possible attitude toward these groups is to invite them to obey the law.

The Colombian Armed Forces should receive support from all fellow citizens. The Armed Forces need the citizen's credibility and trust. We shall struggle to return the monopoly of power to the state; this is undoubtedly one of the most important steps to end violence. By the same token, the public opinion's trust and credibility in the Armed Forces depend on the Armed Forces' acting according to the Constitution. The Armed Forces must respect human rights because the country's defense also means upholding the law. We should not place upon the Armed Forces a disproportionate responsibility by demanding from them an unrealistic efficiency without receiving full cooperation from all the authorities, all social forces, and all citizens. It is not only the responsibility of the Armed Forces to ensure that the law is upheld, it is the responsibility of all of us. To ensure this is fully complied with, I shall create a National Security Advisory Office. This office will advise the president on matters concerning coordination of state institutions that are to enforce overall antiviolence policies and will issue timely and complete information on these issues. The opportunities offered by history for reforms have never been the result of luck or improvisation. People realize that the right moment for change is when the institutions halt the development of the people.

Colombians: Never before like on 11 March and on 27 May had the people's yearnings so clearly identified themselves with the closeness and reality of reforms. The victory of our ideas on those two dates confers upon us the mandate to greatly modernize our institutions. That is what we have termed institutional reshuffling [revolcon institucional], which will place us ahead of the new era that Luis Carlos Galan dreamed about. A tool such as the Constituent Assembly is destined to expedite a process never before demanded so much by the Colombian people.

We cannot afford to waste the best opportunity that our history has offered us to to renew and transform ourselves. The president of the Republic will lead the training for the reform to be conducted. The idea is not merely to amend a framework of standards but to carry out a radical transformation of the people's attitude. With this in mind, we will bring the Colombian people closer to their Constitution so that their demands and aspirations can become their rights. To overcome the crisis, the institutions in charge of administering justice must be reinforced, as it has just been properly underlined by Congress President Dr. Aurelio Iragorri, to whom I thank for the kindness of his words and, in the name of the government, the willingness for cooperation expressed in his speech. We will not let impunity continue to jeopardize the essential public service of the administration of justice. We will increase the jurisdiction of the government branches so they can recover their dignity, genuineness, and efficiency. The harmonious cooperation between the public powers today is a constitutional principle that must be organized to combat the highly sophisticated and organized crime. The executive branch must help make it possible to constantly exercise judicial authority. The establishment, albeit gradually and selectively, of the accusations system and a greater participation of the executive branch in the preliminary criminal investigations process will guarantee the effectiveness of the judicial investigations. The executive branch must provide armed protection and technical support for magistrates and investigators so that the early inquiries can yield the required value as evidence.

We will also establish permanent regulations to institutionalize special procedures, such as allowing for the negotiation of penalties and acquitting those who cooperate with the magistrates. We will also establish collective decision systems, protect the identity of magistrates and witnesses, pay awards, and increase penalties significantly. We will ensure the judicial branch's autonomy through its own administrative agencies for greater progress in this field, in addition to that already achieved in budget management and the profession of magistrates. We will also let the community participate in the administration of justice through justices of the peace, who will pronounce fair sentences. These are the main elements of our plan to reinforce justice.

There is another enemy, however, that we must deal with. It is corruption. To cope with it, I intend to strengthen and present to the assembly the functions of the prosecutor general and the highest court for the administration of justice so that this court can impose penalties according to the principle of known truth and preserved good faith and so that morality in the exercise of the public functions can be protected. In addition to strengthening the administration of justice, the constitutional reform will seek to effectively establish, protect, and guarantee human rights. Anyone whose rights are violated should have at his disposal a mechanism whereby he can go to an authority to have his rights protected. Despite the progress that the constitutional reform of 1936 entailed regarding the establishment of social rights, an entirely new series of rights related to man's social and economic well-being, as well as to his new personal rights, have been developed.

In that way, we will encourage all Colombians, including opponents and those who belong to minority and downtrodden groups to feel that the Constitution is listening to their outcries; that their rights are included in the Constitution; that the authorities are there to protect those rights; and that it is not necessary to rebel against the government institutions in order to guarantee their protection.

When the regular institutions that take care of controlling violence fall short, it is necessary to resort to special

measures. The state of siege has been traditionally used to adopt such measures. Experience, however, proves that this tool has lost efficiency or has led to abuses. We must reform that tool so that it recovers its efficiency. It must be reformed so that its use is temporary and so that there is political control over it. It must be reformed so that it is enriched by defining the various types of public order disturbances and so as to prevent other countries from constantly believing that we live in a permanent state of martial law.

We must also create new mechanisms for participation and reform such as the plebiscite, the constituent assembly, and the referendum in order for all citizens to get involved in the government's decisions that most affect and interest them. In that way, we would also accelerate and facilitate the pace of institutional change.

We need a vibrant democracy and active citizens. That is the great challenge. We must strengthen participative democracy just as the Colombian people ordered on 27 May. One of the main tasks that the constituent assembly will assume is the reform of the Colombian Congress. The constituent assembly will turn the congress into a true expression of political pluralism and a counterbalance of the executive branch.

It is important for the constituent assembly to study the suitability of looking for functional differences between the congress and the chamber of representatives, such as the ones suggested by former Colombian president Alfonso Lopez Michelsen. Lopez Michelsen has suggested that the Senate should ratify government treaties and that the chamber of representatives should discuss and approve the national budget.

As for congress, it would be interesting to examine the possibility of improving it—without undermining its current regional representativeness—by electing a number of its members through general elections. This would allow minority groups and social forces to be part of congress. It would be equally interesting if the members of the chamber of representatives were not elected at a departamental level but at the level of zones or provinces. In that way, the chamber of representatives would be much closer to the people's local interests.

The strengthening of the political control that congress must exercise is basic for reestablishing the balance between the government branches and for preventing the legislative branch from becoming an appendix of the executive branch. Several attempts have been made to that end, but they have failed because of the slowness with which our institutional reforms are made.

We could also establish the censure motion of the observation motion or both of them. Some are frightened by the thought of Congress making a minister resign or by the thought of a certain government action being investigated by a congressional commission. That reform, however, would introduce an element of parliamentary rule into our constitutional regime.

We must regulate congressmen's initiatives as far as public finances are concerned without undermining the government's right to establish its expenditures as the constitutional reform of 1968 established.

Discussions over public policies and decisions on the use and volume of government expenditures are main functions of congress in any democratic system.

To insist on a technical, narrow-minded, and anti-democratic budget plan makes it impossible for the regions and social sectors to support such a plan and makes them feel abandoned and discriminated against. It is necessary to correct this mistake and eliminate the parliamentary subsidies. [applause] As established in the ill-fated 1979 reform, we must establish a strict system to identify incompetence, incompatibility, and conflict of interests as well as to identify the causes that justify removal from office and procedures to be followed in doing this. We must establish strict rules to regulate the so-called parliamentarian tourism. The modernization of fiscal control [applause] will be another of the great missions of the constituent assembly.

We are obligated to advance and establish, in our Constitution and laws, a statute on the role of the political parties so that these will become institutions that may receive financing and have rights that will make it easier for them to practice opposition and supervision and have access to information and to the state's media. The Colombian parties that get very few votes during an election tend to demobilize after elections are held, and they forget the promises made to the voters. We must prevent them from becoming just a number among the elected persons, without mechanisms of internal discipline, without permanent officials, and without a plan that will interpret the dreams and hopes of the people. Our parties must be capable of supporting the president and helping him keep the promises he made during the campaign. They must be able to ensure that he keeps those promises, and they must keep a close watch on the government.

An important step in that direction was taken during the most recent campaign. Under the leadership of former President Julio Cesar Turbay, the Liberal Party was able to conclude its process of popular consultation. That experience enriched democracy and proved that the voters wish to be closely involved in the decisions made by the political organization they support. The duties of the mayors, governors, councils, and assemblies must be reviewed in the hopes of strengthening the decentralization process. I am full convinced of the need to reach a limited notion of fiscal and departmental sovereignty. It is necessary that some taxes be paid in the regions and cities and that these taxes be paid to the regions and cities. It is also necessary that these regions and cities decide where to invest these taxes.

In the agenda to be followed by the constituent assembly next year, we have included a review of the constitutional mechanisms for the administrative expropriation

of rural and urban properties and for the promotion of agrarian reform plans in those areas where the land problems create violence. Throughout my presidential campaign, I said over and over that in addition to abiding by the Constitution and giving the second strongest political party a participation in my government, I would also call on representatives of various forces to cooperate in offices of political responsibility. Bearing this in mind, I have formed my ministerial Cabinet. I have chosen those who will assist me in exercising my rights as president. I have called on highly qualified members of the National Salvation Movement, Social Conservative Movement, and the 19 April Movement Democratic Alliance to participate in my government.

I have done so in search of a new political climate, which will permit us to set aside the aggressiveness that sometimes prevails in relations between sectors and parties in the exercise of power and its counterbalances. I want this debate on the institutional changes to place the interests of the nation above the interests of sectors or groups. As I have stated publicly, I do not seek to form a coalition. The participation of other forces does not condition the political responsibility of any of the parties or movements to which the ministers appointed belong, other than to their performance in their ministries. I trust that we will find along the way many points of agreement in the government policies and in the institutional reforms we are promoting.

We do not want to return to the political agreements that forced the support of all government decisions or that signified commitments of silence in the face of government actions. We also do not want to revive agreements like those that implied the exclusive exercise of the government and that did not leave space or guarantees to the peaceful opposition. I belong to that trend of liberalism that characterized the figures of Lopez Pumarejo, Gaitan, Echandia, the Liberal Revolutionary Movement, and Luis Carlos Galan. That trend [applause], that trend does not conceive the fundamental aspect of policy as seeking consensus and sacrificing principles for the sake of understanding. I believe in the liberal principles of free examination, dissension, and reaching truth through dialectic procedures. I believe that close supervision and criticism, exercised systematically by the parties and not only by the media, is the best service that can be rendered to democracy. [applause]

The responsibilities I have assumed on behalf of my party prevent me from preserving privileges or defending institutions which, despite their deep-rooted place in history, are no longer useful in facing the problems of the nation. We have taken a historic stride by advancing in the agreements to establish the procedures and topics of the institutional reform. The formulas and proposals to carry them out must lead to a broad-scoped ideological debate. Most certainly the decision that will lead to more debate is the designation of a member of the democratic alliance M-19 in the Cabinet. With this I interpret the people's will expressed at the polls in the 27 May elections and, therefore, reassert the Colombians' capability of reconciliation and peace. [applause] The members of that alliance will thus be veritable participants in building new institutions.

We must make of the crisis not a blind alley, but a great opportunity to build together the future of Colombia. However, the institutional turnover and the will for change is not exhausted in the political institutions. My responsibility and my commitment are to prevent Colombian youths, full of illusions and willing to work, from being mired in backwardness and injustice. We will transform the economy and will begin a genuine productive revolution. Although we have been more fortunate in facing our debt problems and are the only Latin American country where the real income of the workers grew year by year over the last 10 years, we can accomplish even more.

I want to underline that the debate taking place in other industrialized or developing countries on whether the size of the country chokes the development of private activities or not and is the main cause of gigantic fiscal deficits is not that important in Colombia. We are a nation in a powerful process of expanding our population and settling new areas. Vast sectors of our population are experiencing dire poverty. This makes it necessary for the state to provide essential services in the fields of health, education, social security, housing, nutrition, culture, recreation, and sports. Privatization is important in Colombia regarding some railroad and port services, the financial sector, some state-run industrial and commercial corporations, and telecommunications, the latter of which cannot continue to be a powerful state monopoly. Privatization offers some alternatives in energy distribution and telephone service in some cities; privatization is an initiative to assist those municipalities that are demanding these services.

Basically, however, our efforts must be aimed at encouraging more efficient state intervention. It is the state's efficiency, rather than its size, that truly counts in the fulfillment of public functions. Let us consider housing, for example. By substantially modifying the sector's institutions, we will be in a position to build nearly half a million low-cost homes in the next four years. For this, it will be necessary to assist municipalities in the preparation and distribution of land tracts with basic services for low-income families. We will also be able to financially assist medium-income citizens so they can acquire a home through the UPAC [constant purchasing power unit] system under terms not excessively onerous on their family budgets. The modernization of the economy makes it more necessary for the labor regulations to become more flexible so our producers can be more competitive, so we can encourage investment, and so we can create more jobs. We will use contract mechanisms between workers, employers, and the state. We will thoroughly reform labor regulations to eliminate some of the barriers that have been erected. We will thus be able to modernize our production system, increase our growth, and ensure fair working conditions.

The truth is that many of the criteria that serve as yardsticks in labor-management relations have become serious obstacles to production and the creation of jobs. This situation does not do anybody any good. At least in the case of inexperienced workers, it is essential to eliminate habits harmful to the employer and to alleviate the consequences of the so-called retirement penalty. We must also reform mechanisms that are obsolete or inconvenient. In the case of public services, it is necessary to abolish the constitutional prohibition of the right to strike and restrict such prohibition to those cases that prove strictly necessary.

I will also propose to make the labor regulations more flexible for part-time workers in order to protect the large number of Colombians who today are part-time workers.

Relatively simple measures can be prepared that will benefit thousands of people. For example, unemployment insurance could be financed with the interests of the compensation payments and the increase in maternity leave benefits according to the International Labor Organization regulations. That leave will then become extensive to the couple so that the husband and wife can take turns in caring for the newborn and there will be no discrimination against female employees. [applause]

As for the pensions system, we will present to congress a draft law creating a system to complement the Social Security Institute, based on pensions funds. This would stimulate savings, and even the independent workers could volunteer to join this system.

The health system is a responsibility of the public sector, particularly for the lesser income groups. We will promote decentralization of the health administration and greater participation of the private sector in rendering these services. We will also create health centers administered by the communities themselves, bearing in mind the experience of the Colombian Family Welfare Institute. We will increase considerably the potable water works services.

As with the search for national peace, I insist that strengthening the economy is indispensable for stimulating the youth. It is not our task to save the youth, because—as [First Lady] Ana Milena says—they always have their youth to save themselves. The true challenge is to create the conditions so that the youth can save Colombia. [applause]

The youth, the women who still require support from the government in order to attain true equality of rights, and the families that must be recovered for the sake of peace will receive special attention from my government. This attention will be coordinated and directed by a presidential advisory board.

All of these internal policies will not be enough if we do not consider the world in which we are living and in which the winds of democracy and freedom are also blowing in economic and commercial issues. That is why we must advance in internationalizing the Colombian economy. This includes modifying the regime of foreign investments, stimulating private enterprise, changing Proexpo [Export Promotion Fund] into a bank of exports, modifying the operations of the Colombian Foreign Trade Institute, modernizing the system of land transportation and the port systems, recovering the railroad network, and reducing air and maritime services.

That is what opening up is all about. It is a dynamic modernization process supported by an increase in exports and aimed at guaranteeing us a place on the world market, to export more, to import more, to produce more, and to make our economy richer and thus generate more employment. That was the path followed by the nations devastated by the war and who are industrial powers today. This is a process we will carry out in a gradual manner. We will not apply the shock treatment other Latin American countries have applied because we do not have here the kind of crisis that causes these types of situations. A policy that brings such beneficial effects in the medium term could have consequences in the short term on growth and employment that we neither want nor can justify.

We will reform the monetary exchange statute that has given the country a framework, contributing significantly to the development of foreign trade and monetary stability.

We will thus abandon the desire—which is somewhat utopian today—to control everything in this field. This desire is out of step with the reality of an economy that is today bigger, more diversified, and more solid than the one that was the object of the current statute. This is necessitated by the development of our foreign trade and the financial markets of goods and services.

The process of internationalization of Colombia's economy also demands that we take a broader approach in our international policy, bearing in mind our economic and commercial priorities. Colombia has made changes in its international conduct during the latest administrations. Thanks to them, our country has diversified its relations and expanded its autonomy with regard to the big powers. We will maintain this policy and defend the essential principles of peaceful coexistence, self-determination of peoples, nonintervention, peaceful solution of conflicts, and political pluralism on our continent. Also, we will continue to be members of the Nonaligned Movement with the understanding that the recent detente in the East-West conflict makes a North-South dialogue much more important.

The handling of Colombia's foreign relations must be adjusted to the new realities in international relations. Our internal objectives must be objectives of our foreign policy. Drug trafficking, human rights, foreign debt, trade, economic development, the internationalization of the economy, and environmental protection will be on our foreign ministry's agenda.

Venezuela is one of the pivotal issues in Colombia's foreign relations. We will fully continue to apply the policy derived from the agreements that President Barco and President Perez signed and that have yielded excellent results so far. [applause]

President Carlos Andres Perez: The efforts toward cooperation have drawn our people closer together, and some day—which I hope will be soon—we will settle our differences according to the procedures approved by the two nations. [applause] We will continue to belong to the Group of Rio, whose usefulness has been undeniable, although its adjustment to the realities of the policies of the continent are necessary. I want to reiterate my conviction that we should create a Latin American Forum where political and economic affairs can be discussed simultaneously and which can become an interlocutor in discussions with the great actors of international politics. Latin America would thus increase its power to negotiate with the rest of the world through a consensus and joint actions.

Regarding Europe, we hope that the creation of a single market will be an opportunity, not an obstacle, to our exports. We hope also that the technical gap with the European Community will result in a confirmation of the decision of the Council of Presidents and Heads of Government to give our products greater access to that market as a contribution to the efforts that Colombia, Peru, Bolivia, and Ecuador have made to fight drug trafficking.

I want to express our concern over a topic whose importance to humankind is undeniable—environmental protection. Our forest reserves in areas like Amazonia are the lungs of the world. We will adopt measures to prevent an ecological disaster of nefarious consequences to the planet. However, we cannot be told to repair the damage done by the industrialized nations, which owe an ecological debt to humanity. [applause]

We hope to preserve with the United States a dialogue of cooperation regarding the numerous aspects of our relations. On the basis of mutual respect, our nations are facing the challenge of placing in the sphere of cooperation and joint action matters whose complexity frequently entails the existence of differing positions. We will not assume that a natural harmony of interests exists to guide bilateral relations between Colombia and the United States but we will, in turn, apply a strong will to dealing, in a friendly, constructive, and realistic manner, with all topics on our bilateral agenda.

In the past, we Colombians have encountered severe protectionist barriers and, in some cases, unjustified discrimination against our products. Recent decisions have removed some obstacles, such as the opposition to our joining GATT's subsidies system. This decision, however, is only temporary. The economic harm inflicted upon us by terminating the coffee pact is irreparable. However, we are awaiting the outcome of the Cartagena statement. What we primarily demand is not direct economic or military assistance, but fair treatment and free trade. [applause] We hope progress can be made with President George Bush's Initiative for the Americas, which may well become a historic turning point in U.S.-Latin American relations. We are also awaiting the introduction of the bill announced by President Bush dealing with special and temporary treatment of preferences for the exports from Colombia, Bolivia, Peru, and Ecuador. In two more years, we will be commemorating the fifth centennial of the discovery of America. New relations and a sincere deep friendship undeterred by centuries have been established between Colombia and Spain. The commemoration of the fifth centennial will make our ties stronger.

Fellow Colombians: Today, as I have done so many times in the past year, I want to invoke the God of Colombia. With his help, we will initiate this long march together. The triumph of the ideas of renewal and change in this year's electoral process is the cornerstone in the construction of our future. The rest of the work is still to be completed. In this electoral process and in this hard and eventful struggle, we and millions of Colombians won the battle of ideas. This is just the beginning. We must now win the battle of accomplishments. We must demonstrate that what we dream about is feasible. This is our challenge. This is our duty to ourselves, our children, and to future generations of Colombians. We are all entitled to living in a better country. In the dawn of a new decade, when walls are toppling everywhere in the world and the avenues of democracy and freedom are being opened, we must pacify and transform Colombia. This is the magnitude of the challenge before us. If we meet it with courage, optimism, and determination, our descendants will not say tomorrow that we were not up to the responsibilities that our time imposed on us. They will say, however, that on 7 August 1990 we started up a long path of creation, renovation, and work. They will say that on this day we started to make a reality the peaceful revolution that the Colombian people demand and require. I am probably being naive—but I do not regret it—by displaying my affection when I declare in front of my own people and in front of strangers that the new president loves Colombia and its people. [applause]

On the victorious night of 11 March I said that the important thing for the man who reaches power is to show afterward that he deserves to exercise that power. It is my wish, my undertaking, that in 1994 on a day like today, when I turn over the responsibilities I have just taken to the person that democracy chooses, I can do so by enjoying the respect and affection from you Colombians, because I deserved to exercise the power you bestowed upon me.

Fellow countrymen, welcome to the future. [applause]

Reportage Views Meeting of Andean Group

Venezuela's Perez Comments

PA0708170690 Bogota Radio Cadena Nacional in Spanish 1447 GMT 7 Aug 90

[Interview with Venezuelan President Carlos Andres Perez by unidentified reporters at the Banco Ganadero Building in Bogota—live]

[Text] [Reporter] [Words indistinct] to end paternalism [words indistinct] a serious and mature relationship between our countries and the United States?

[Perez] Paternalism has undoubtedly harmed us very much. First, we have the problem of a country that feels it has the paternal right and duty to tell us what to do. There is also the problem of our countries giving up the right to think for themselves so that other countries do the thinking for us.

We obviously believe that we must head toward a great free market and that we must universalize trade relations within a framework of international justice. This, however, must be done gradually, because at present there is a very marked inequality between what the industrialized countries like the United States can do and what the developing countries like Colombia, Venezuela, and even Argentina and Brazil can do. Thus, we must work for more favorable conditions through dialogue and the understanding of the inequality that exists among our countries.

[Reporter] What can you tell us about the Andean Group?

[Perez] I already said it at the beginning of my statement. Perhaps for the first time, Colombia and Venezuela are making specific and real steps toward the solution of all the problems that separated our two countries at a certain time. However, we have to realize that we have not wasted time. We are harvesting the experience of everything we have done, of all the mistakes we have made and all the omissions we have allowed. But, above all, the new world situation forces us to turn our eyes back on ourselves, reflect upon our situation, unite, and identify ourselves with our languages and our determination to unite. Thank you very much and fraternal greetings to all Colombians.

Ecuadoran President Comments

PA0708174290 Bogota Radio Cadena Nacional in Spanish 1453 GMT 7 Aug 90

[Interview with Ecuadoran President Rodrigo Borja Cevallos by Luis Garcia Quiroga in Bogota on 7 August—live or recorded]

[Text] [Garcia] Here is Ecuadoran President Rodrigo Borja, in an interview for RCN.

[Borja] We discussed several topics that will be made public in the next few hours. Basically, we discussed the need for maintaining a dialogue between the presidents of the Andean Group and U.S. President Bush to review his initiative for the Americas, which opens up opportunities for trade, foreign debt negotiations, and foreign investments in our countries to promote development. We covered those topics, as well as the problem of the elections in Haiti and the need to honor the Haitian president's request for UN observers to certify the integrity and honesty of the electoral process in that country.

[Garcia] Was the drug trafficking problem the main topic of discussion?

[Borja] Not at all. We did not touch on that subject this time. However, this does not mean that I am not trying to minimize the problem; on the contrary, Ecuador is very interested in conducting an all-out struggle and promoting concerted international efforts against drug trafficking. However, the agenda for this meeting did not include that subject.

Cuba's Vice President Fernandez on Relations

PA0708190090 Bogota Radio Cadena Nacional in Spanish 1625 GMT 7 Aug 90

[Report by Victor Jimenez]

[Text] This is what Cuban Vice President Jose Ramon Fernandez had to say regarding the talks held with the Argentine Government through President Menem, and also on the existing possibilities of reestablishing diplomatic and consular relations with Colombia.

[Begin recording] [Fernandez] I answered that yesterday when radio and television reporters asked me the question. We have fluid, informal relations, we have good communications, we engage in trade, and we have the best desires. I think it would be hasty to speculate on conversations about the establishment of formal relations between Colombia and Cuba.

[Reporter] Is there any obstacle at this time?

[Fernandez] I did not say that there is an obstacle. I said specifically that it is not convenient to speculate. For my part, I do not wish to speculate on the establishment of relations.

[Reporter] How do you view the fact that an M-19 [19 April Movement] member, a former guerrilla, is joining the government of President Gaviria?

[Fernandez] I believe that it is a domestic issue, and it is up to the Colombians to appoint, to form the Cabinet with all the elements of the country's life and society, and considering its socioeconomic standpoint. We view it favorably. We have heard much in this regard. I believe that it is a matter for the Colombians to resolve.

[Reporter] Mr. Vice President, is a resumption of relations or is the possibility of resuming relations at diplomatic and consular level being studied with the new Government of Colombia?

[Fernandez] I think that it is always possible to study anything, but I reiterate that I do not wish to speculate on the matter of establishing diplomatic relations.

[Reporter] Did you meet with President Menem?

[Fernandez] Yes.

[Reporter] Can you talk about the results of your meeting?

[Fernandez] We held very cordial talks and analyzed Latin American problems, integration, and relations between our countries. We stated our best hopes and wishes that we can resolve the problems of our countries within a working spirit. [end recording]

These were the statements by Cuban Vice President Jose Ramon Fernandez.

Paraguay

Foreign Minister Frutos Returns From Brazil

PY0808010490 Asuncion Cerro Cora Sistema Nacional de Television in Spanish 2330 GMT 7 Aug 90

[Text] Paraguay will join the Southern Cone common market along with Argentina, Brazil, Chile, and Uruguay. Foreign Minister Alexis Frutos Vaesken, who just returned from Brazil, gave us more details of his trip.

[Begin Frutos recording] We brought back an invitation to study the participation of Paraguay in the Southern Cone common market. We are going to make an immediate evaluation of the proposal. We will ask the president to summon experts for a study of the proposal to give an answer. About the deadline for an answer, I was told there is no deadline, that it depends on Paraguay, and that we could answer before the end of August or before the end of the year. We have the opportunity to immediately join Argentina and Brazil just like Uruguay did. But we also have other possibilities, like Chile, which has a more contemplative position and is waiting to see what happens before joining. We have various possibilities. Our experts and leaders will decide which position is best for us. [end recording]

Frutos Vaesken said that the full participation of Paraguay in the Southern Cone integration process will be evaluated by a group of experts.

Belgian Envoy on Airline Drug Trafficking

PY0708214990 Asuncion ULTIMA HORA in Spanish 7 Aug 90 p 12

[Text] Belgian Ambassador to Paraguay Roger Tyberghein, after meeting with President Andres Rodriguez, told the media that Paraguayan Air Lines (LAP) is allegedly involved in drug trafficking in Belgium, since it is the only Latin American airline with direct flights to Belgium.

When asked about drug trafficking to Belgium and the efforts done to combat it, the ambassador said: "LAP is the only airline with direct flights from Latin America to Belgium. Drug trafficking has been observed to be conducted via the airplanes. It is a regrettable thing. We are currently struggling against drug trafficking."

Ambassador Tyberghein visited President Rodriguez this morning in the Lopez Presidential Palace where he informed Rodriguez that his diplomatic mission in Paraguay has concluded.

Alleged Medellin Cartel Members Arrested

PY0808021090 Asuncion ULTIMA HORA in Spanish 7 Aug 90 p 58

[Text] Personnel of the National Narcotics Directorate, Dinar, last night arrested two alleged members of the Medellin Cartel in a downtown bar. According to first reports they were planning to steal an airplane. According to another report, a police officer was shot to death from the Argentine side of the Pilcomayo River across from Falcon Port. A companion who was carrying a bag with marijuana was also shot and his body lost in the river.

Dinar personnel, who are under the jurisdiction of the Interior Ministry, on 6 August at about 2230 arrested two alleged members of the Medellin Cartel. The Dinar spokesmen told ULTIMA HORA that the arrest was made in a downtown bar after several people heard the conversation of five individuals with a foreign accent talking about the possibility of "taking over an airplane" and "what would happen to the pilot or pilots."

The same spokesman identified the suspects as Ruben Granados Medina, Paraguayan, civilian pilot, who according to his passport worked in Colombia but had no entry date to Paraguay, and Marcos Obdulio Sanchez Aldana, Colombian, who also has no entry registration in Paraguay.

After interrogation the suspects said that they were going "to steal" the airplane today. The other three individuals who were in the bar left before the police arrived. The police are now asking hotels, pensions, motels, and people who rent houses to report any information about the suspects. One of them, who could be Puerto Rican, has a beard. The other is blond with a short hair cut, and the third is caucasian, and uses dark glasses at night.

Colombian Sanchez Aldana uses an eye patch. According to the information given to the police he is reportedly the "organizer" of the group, and his nickname is El Tuerto. He reportedly told the group that the work had to be well "coordinated."

Greater details will be given by Dinar after questioning to find out the local contacts of the gang.

Teachers Accept Government's Salary Offer

PY0808032890 Asuncion EL DIARIO in Spanish 5 Aug 90 p 35

[Excerpt] The National Teachers Coordinating Board (CNE) unanimously decided yesterday to accept the 32.5-percent salary increase offered to elementary and high-school teachers, provided the benefit will cover all teachers and is effective since 1 July 1990.

At the assembly held at the Miraculous Medal in Fernando de la Mora, the teachers noted that the 32.5-percent increase is altogether insufficient, and its acceptance does not mean that teachers will give up the struggle for a minimum salary for each teaching shift baginning in January 1991. [passage omitted]

Venezuela

Haitian President, Perez Meet in Caracas

PA0708144690 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 7 Aug 90

[Text] Venezuelan President Carlos Andres Perez has announced that Haiti will once more receive the benefits of the San Jose Agreement and that technical commissions will begin to discuss its reincorporation on 7 August. Making this announcement after receiving Haitian President Ertha Pascal Trouillot at the Simon Bolivar International Airport, he added that the efforts being made to take Haiti towards democracy deserve the necessary aid and solidarity.

The president of Haiti was in Venezuela approximately four hours. A Venezuelan Air Force plane transported her and her six-member committee from Port-au-Prince to the Simon Bolivar International Airport, where she was met by President Carlos Andres Perez and members of his Cabinet. After the national anthems of both nations were played and after reviewing the troops stationed at the airport, both presidents headed to a private meeting room. There, what the Foreign Ministry at first had labelled as a technical stop-over by the Haitian president turned into an extensive work session at which bilateral and multilateral issues were analyzed in depth. The meeting was overflowing with terms such as cooperation, understanding, reciprocity, and technical assistance.

In a news conference, the two presidents stressed the positions of both nations with regard to the efforts that must be made to attain economic, political, and social development goals.

[Begin Perez recording, in progress] ...and in the administration sector, we have offered to use the San Jose Agreement for our negotiations on Haiti's petroleum needs, and, at the same time, lend our technical assistance and any other type of cooperation which our government can offer. [end recording]

Haiti is preparing to hold elections in November within the framework of a highly irregular and difficult contemporary political history, where there have been frequent military coups.

[Begin Trouillot recording, in French fading into Spanish translation] We all want to have elections and an elected government that will allow the nation to start functioning and finally get out of the difficulties in which we have been. [end recording]

Mrs. Trouillot announced that all the political sectors will participate in the November elections.

Immediately thereafter, the Venezuelan and Haitian presidents departed from Maiquetia's International Airport to El Dorado International Airport in Bogota, to attend tomorrow's scheduled ceremonies for the inauguration of President Cesar Gaviria Trujillo. The head of the Venezuelan government said he carried a message of friendship, cooperation, and fraternity for the new Colombian president.

Celli on 'Special Treatment' From Foreign Banks

PA0708222990 Caracas Venezolana de Television Canal 8 in Spanish 7 Aug 90

[Text] Humberto Celli, secretary general of the Venezuelan Democratic Action Party (AD), has proposed to discuss the refinancing of the foreign debt and our oil's strategic value at the negotiating table with the foreign banks.

Celli said that his proposal has nothing to do with his party's interests. He said he is making this proposal as a private citizen who is aware of the current world economic situation. Celli said that as far as the foreign debt problem is concerned, our oil could guarantee a special treatment for our country.

Humberto Celli said that among other things, the Iraqi-Kuwaiti conflict proved how important and strategic the oil issue is once crises break out. Celli believes that foreign banks should take into account our country's importance since we are the second oil-supplier in the world. [as heard]

[Begin Celli recording] For a long time, we have been demanding a special treatment for the refinancing of our debt. One of the reasons why Venezuela has been demanding that special treatment—especially from the U.S. and European markets—has now been fully demonstrated. Venezuela has an essential strategic value thanks to its oil. This should be taken into account when it comes to the debt negotiations. We must be given special treatment. [end recording]

In addition, the AD members held debates and agreed to begin holding meetings with the various political groups represented in Congress to study the possibility of calling special sessions, because the executive branch needs the approval of the foreign debt refinancing bill.

As for the meeting of the AD national board of directors, which will be held on Friday, 10 August, AD took care of the last few details for the election of the new AD electoral commission, which would entail the opening of the internal AD election process.

Mahathir, Perez Agree To Enhance Cooperation

BK0308075390 Kuala Lumpur International Service in English 0600 GMT 3 Aug 90

[Text] Malaysia and Venezuela have agreed to enhance their cooperation in various fields for mutual benefit. This followed a four-eyed meeting between Prime Minister Datuk Sri Dr. Mahathir Mohamed and President Carlos Andres Perez in Caracas.

Datuk Sri Dr. Mahathir, who is on a five-day official visit to Venezuela, told Malaysian journalists that he was encouraged by the outcome of the talks brought about largely by the open attitude adopted by Venezuela. Specific areas of cooperation identified by the two countries include trade, petroleum, finance, science and technology.

Earlier, Datuk Sri Dr. Mahathir attended a working meeting of the South Commission. The draft, the Commission's final report to be officially launched today, was discussed. The meeting was also attended by President Perez, the Commission's chairman, Dr. Julius Nyerere, and the foreign ministers or their representatives of G-15 member countries.

Mahathir: Realistic North-South Dialogue Needed

BK0408164390 Kuala Lumpur BERNAMA in English 0430 GMT 4 Aug 90

[Text] Caracas, August 4 (OANA/BERNAMA)—South countries must fund their own way in the world, Malaysian Prime Minister Datuk Sri Dr. Mahathir Mohamed said.

"We in the South cannot afford to forget that the most important helping hand that we all need is at the end of our own right arm," Mahathir said at the formal issue of the final report of the South Commission.

Mahathir, who is on a five-day official visit to Venezuela, told the distinguished gathering, including President Carlos Perez and South Commission Chairman Dr. Julius Nyerere , that the South countries must be realistic in their relations with the North.

He said that there was very little to be gained in "taking on the North" and "those of us who believe in South-South cooperation are not conspirators against the North."

"We are believers in concerting our strength, in taking advantage of the potentials for cooperation between us, in seeking dialogue with the North and a say in the affairs of the world is ours as much as anyone else's," he added.

On the report, Mahathir was confident that it would not be shelved and forgotten as some of the recommendations had been turned into reality.

For example, the G-15 summit had already taken place in Kuala Lumpur and a steering group comprising foreign ministers of Senegal, Venezuela and Malaysia had been established to look into the setting up of the South secretariat.

The Commission further proposed that regional and sub-regional clearing and payment arrangements as well as export credit facilities be strengthened.

Suriname

Peace Talks Postponed Due to Lack of Consensus

FL0708212490 Paramaribo International Service in English 1730 GMT 7 Aug 90

[Text] The peace discussions between the government and the Jungle Commando, which were scheduled to begin yesterday in the French Guianese capital, Cayenne, have been postponed for the umpteenth time. According to the daily DE WARE TIJD, this is due to the fact that there is no consensus among the government delegation on the tactic to be applied.

The head of the delegation, Social Affairs Minister Willy Soemita, has in an interview declared that the Kourou Accord will no longer form the basis for the coming peace discussions and that parts of the accord, which are useful, will be used. Soemita has said that the emphasis will be laid on the disarming of the illegal armed groups.

In the Kourou Accord, which was signed last year between the government and the Jungle Commando, disarming of the group is not included.

Assembly Chairman Jaggernath Lachmon, who is adviser of the peace delegation of the government, however, said that the Kourou Accord cannot be pushed aside. Lachmon told a journalist from the state-owned radio station, [word indistinct], that the Assembly must decide whether or not to use the Kourou Accord in the peace discussions in [words indistinct] document.

There is no official announcement as to when the new round of peace discussions between the government and the Jungle Commando will take place.

Police on Strike Following Dispute With Army

FL0708123690 Bonaire Trans World Radio in English 1130 GMT 7 Aug 90

[Text] Suriname's police are on strike following a dispute with the Army. The police accused the troops of damaging their headquarters with rocket fire over the weekend and killing a police inspector. The Army denies responsibility over the incidents but says it is investigating and will prosecute any soldiers found to have been involved.

Concern Rising About Police, Military Incidents

FL0708210290 Paramaribo International Service in English 1730 GMT 7 Aug 90

[Text] Over the weekend there have been several incidents involving members of the police force with the military police.

On Friday morning, a corporal of the military police was arrested by the police and taken to the police headquarters. According to reports, there was no direct reason for arresting the soldier.

During a press conference, the police said that the corporal of the military police tried to overpower a police officer. During the scuffle, a gun went off, hitting the police officer on his finger and the military policeman in his leg. According to reports, the military policeman didn't try to use his gun.

The following night, two policemen were held by the military police and brought to their headquarters. Last Sunday morning, the policemen were released.

Inspector of Police Herman Gooding, head of the Investigation Department of the police force, went the same night to the military police headquarters to clarify the matter. Following this, he drove away but was held by a few persons and pulled out of his car, according to the police. The police officer who was in company with Gooding was allowed to leave. He said, however, that later he heard two shots. The body of Gooding was found Sunday morning in Paramaribo with gunshot wounds in his head.

On Sunday morning, the police headquarters at (Nieuw Haven) was shot at with heavy weapons.

The Surinamese Government has noted with great concern the developments over the last weekend. These developments started with the arrest of a military police corporal and ended with the death of a police inspector and the shooting of the headquarters of the police. This was said by President Ramsewak Shankar Sunday night during a statement on television. President Shankar said that the suspects were not yet found but their identities are being investigated by the judiciary.

The Government on Sunday evening held lengthy discussions with different ministers, the leadership of the police, the judiciary, and the [words indistinct]. President Shankar (?asked the) people and the police force to help in the investigation of these recent matters.

Three Soldiers Killed in 'Mopping-Up Operations'

FL0708213290 Paramaribo International Service in English 1730 GMT 7 Aug 90

[Text] Three soldiers have been killed at the end of last week during mopping-up operations by the National Army in East Suriname. For one-and-a-half months now, the National Army has been busy with the actions in South and East Suriname to clear the productive areas of illegal armed groups. So far in the operations, 11 soldiers have been killed, while on the side of the Jungle Commando, at least 50 rebels have been killed.

The National Army is also busy with the operation in West Suriname where the Tucayana Amazons operate. Until now, there have been no reports of casualties in the mopping-up operations in the western part of the country. As a result of the mopping-up operations of the National Army, the great part of Surinamese territory is once again [words indistinct] jurisdiction.

Government To Form Constitutional Commission

FL0708211090 Paramaribo International Service in English 1730 GMT 7 Aug 90

[Text] The Surinamese Government has, at the end of last week, decided to appoint a commission for the changing of the Constitution. In this framework, the commission will compile the draft in which judicial, grammatical, and structural changes will be made. The changed Constitution should also include explanatory notes. The current Constitution, which was approved in 1987 by a referendum, contains no explanatory notes.

The president will appoint the members of the commission for the changing of the Constitution. The intention to change the Surinamese Constitution was announced since the new government came to power in 1987.